



NEWS SUMMARY

GENERAL

Saudi threat to aircraft deal

Mundi Arabia is expected to cancel a \$525m order made on behalf of Egypt for 50 Northrop F-5 aircraft because of its objections to Egypt's peace treaty with Israel.

U.S. State Department officials say that the chances of Saudi Arabia financing the sale look slim.

Cancellation of the deal would be in line with the boycott resolutions adopted by nearly all Arab states against Egypt. Back Page

Egypt has prepared a plan for Palestinian self-rule that envisages an authority with executive, legislative and judicial powers, a foreign ministry official said.

Thorpe 'incited friend to kill'

Jeremy Thorpe, former Liberal Party leader, incited a friend to kill ex-model Norman Scott with whom he had a homosexual relationship, it was alleged at the Old Bailey.

Mr. Thorpe and three other men have pleaded not guilty to conspiracy to murder Scott. Thorpe has also denied inciting his friend, David Holmes, to kill Scott.

Schmidt meeting

Chancellor Helmut Schmidt of West Germany has talks in London today with Mrs. Thatcher. He will be the first foreign head of government to meet the new Prime Minister and her colleagues. Page 3

Police chief jailed

The former head of Northumbria police drug squad, Det. Insp. Michael Melidrum, aged 42, was jailed for seven years on drug charges at Teesside crown court.

Israeli pursuit

Israeli infantry backed by tanks crossed into southern Lebanon in pursuit of Palestine guerrillas who clashed with an army patrol. Page 4

Rapist gets life

AA patrolman David Owen, aged 24, was jailed for life at St. Albans after being convicted of raping and robbing a 21-year-old secretary whose car had been broken down. The court was told that Owen carried out the attack wearing a black hood.

Petrol violence

California's jump in petrol prices is blamed on gunning, knifing each other and scuffling, as the deadline for the introduction of petrol rationing approached. Page 5

Fire law attack

Manchester's fire chief demanded tighter fire laws and a sprinkler system could have stopped the Woolworth store blaze from spreading so rapidly. Police are still trying to identify four of the 10 victims.

Briefly

Sir Colin Woods, aged 59, chief inspector of constabulary for England and Wales, will head Australia's new federal police force.

Six workers were killed and 13 injured when scalding syrup split at a Cuban sugar cane mill.

Syndicate of Manchester clothing workers won more than £300,000 on Littlewoods' football pool. A man and a woman in the West Midlands each won similar amounts.

At least 35 people died when a Bombay-bound express train collided with a bus carrying Indian tourists at an unmanned crossing.

Australia has asked the International Whaling Commission to consider a worldwide ban on catching whales. Page 25

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

	RISES	FALLS	
Akroyd & Smithers	231 + 6	Excheq. 9/pc 1982. 2951 - 1	
Amal. Dist. Prods.	43 + 5	Excheq. 124/pc. 90 - 17	
Averys	246 + 6	Appleyard	103 - 6
Mitf Docks	177 + 5	Babcock and Wilcox	187 - 9
Scottish Univ. Inv.	209 + 4	Beacham	707 - 13
Ult. Engineering	135 + 12	Standard Chartered	507 - 28
		Ribby (J.)	405 - 20
		Trust Houses Forte	188 - 10
		Blue Circle	388 - 30
		BP	1156 - 30
		Booker McConnell	355 - 15
		Moor River	73 - 7
		Charter Cons.	186 - 6
		KTZ	334 - 11
		Randfontein Est.	1274 - 13
		Heal and Son	222 - 21

BUSINESS

Equities off 10.2%; Gilts easier

Soviet Union and U.S. agree on arms limit treaty

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

The U.S. and the Soviet Union have finally reached basic agreement on a new strategic arms limitation treaty after more than six years of negotiations involving three American presidents.

Mr. Cyrus Vance, the U.S. Secretary of State and leading architect of the pact, declared in the White House yesterday that the treaty meant "an essential step towards a safer America and a safer world."

He added: "Our overriding purpose has been to strengthen our nation's security and that of our allies through practical and verifiable restraints on the nuclear arms race."

It will still take SALT negotiators in Geneva several weeks to iron out the treaty language. The process will be culminated by a summit meeting between Presidents Carter and Brezhnev. This is expected to take place somewhere in Europe in the middle of next month.

The Carter Administration's clear hope is that, now that the treaty has been agreed, it can move on to the offensive in trying to secure ratification from the Senate. Until now, with negotiations with the Soviets tying its hands, the Administration has been hard put to counter the series of leaks about SALT which have been capitalised on and sometimes exaggerated by its opponents.

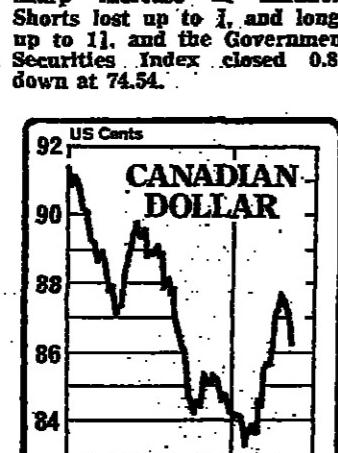
Even so, it will be no easy task to win the approval of two-thirds of the 100 member Senate. One rough recent count puts about 45 senators in the SALT camp, at least 20 dead set against it, with the balance evenly divided between Republicans and Democrats, still undecided.

The Administration will push for outright ratification of the treaty as it stands. But as the tactics of the debate unfold, it is considered probable that the Senate may offer amendments. The key question is whether such changes will be acceptable, not only to President Carter, but to the Soviet Union.

The SALT II treaty is by far the most comprehensive yet attempted, far exceeding in scope both the 1972 SALT agreement and the subsequent 1974 Vladivostok accords. Yet, in itself, it is only a prelude, assuming Congress passes, to even more wide-ranging negotiations leading up to a SALT III pact covering Western Europe.

The basic elements of the SALT II treaty, which is designed to run until the end of 1985, have been known for some time. The main items are:

• An initial limit of 2,400 strategic nuclear weapons on both sides, declining to 2,250 by



• CANADIAN DOLLAR continued to show a weaker trend, and eased to 86.17 U.S. cents (86.59).

• STERLING remained steady in quiet trading to close unchanged at \$2.0675, while its trade weighted index eased slightly to 66.7 (66.8). The U.S. dollar's also fell to 85.7 (85.9).

• GOLD closed unchanged at £244.4.

• WALL STREET was 3.99 up at 838.83 near the close.

• FRANCE granted China a FF1.80bn (£1.3bn) credit line for the purchase of French capital equipment. It is the largest buyer's credit ever accorded by France to another country. Back and Page 34

• EL PLANS to re-organise its U.S. car distribution network are to be opposed in court by an independent distributor due to lose its franchise. Back Page

• TOYOTA, the Japan car manufacturer, is investigating the feasibility of a major European production base in Spain. Back Page

• TRUSTEE SAVINGS BANKS, with funds of £5bn, are planning a major move into home loans to compete with building societies.

• NEW CAR SALES in the UK in April reached a record level for that month. Ford's share of the market last month rose to 33.6 per cent, while BL's fell to 27.72 per cent. EL, however, sold more cars than in April 1978. Page 10

• ELECTRICITE DE FRANCE'S Eurocurrency loan, the first credit in recent years to carry a spread of less than 1 per cent point below London Eurodollar rates, is due to be increased to \$1bn from \$700m. Page 24

• AUEW talks with the Engineering Employers' Federation over a new national agreement broke down yesterday, and pose the threat of industrial action in the industry. Back Page

• COMPANIES

• J. SAINSBURY, the supermarket group, reports an 18.4 per cent rise in pre-tax profits for the March 3, 1979 year from £27.58m to a record £32.86m. Page 26 and Lex.

• SEARS HOLDINGS reports a 39 per cent increase in pre-tax profits from £65.5m to £91.1m for the year to January 3, 1979, on turnover which rose just over 12 per cent to £1.1bn. Page 26 and Lex.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of growth of the money supply accelerated last month. A continuing buoyant level of bank lending appears to have offset further large sales of gilt-edged stock.

The rise in bank advances supports other recent evidence of a pick-up in the level of economic activity. There is still, however, uncertainty in Whitehall and elsewhere about how far this represents a recovery from the effects of the winter weather and strikes or how much it reflects an underlying and sustainable rise in demand.

This uncertainty complicates the key Budget decisions facing Sir Geoffrey Howe, the new Chancellor of the Exchequer. He will presumably want to make a start on reducing the target rate of growth of the money supply in 1979-80. But there will no doubt be official warnings against applying too severe a squeeze on the economy. This also affects judgments about the acceptable level of public-sector borrowing.

However, various transactions involving the discount market

and hence the scope for tax cuts.

The preliminary banking figures published yesterday by the Bank of England show that eligible liabilities rose by £1.43bn, or 3.1 per cent, to £47.51bn in the four weeks to mid-April.

These liabilities are a major source of the banks' deposit funds.

The figures are not an exact guide to the growth of sterling M3, which includes cash and bank current and seven-day deposit accounts.

This is partly because of seasonal factors which last month accounted for around £700m of the unadjusted rise in eligible liabilities.

In addition, heavy inflows from abroad at the end of March may have boosted eligible liabilities but may not affect sterling M3. The latest clearing bank figures suggest that some of the inflows have remained as overseas resident deposits.

However, various transactions involving the discount market

given for the decision to pull out of nylon fibres in Europe were Monsanto's relatively small market share and its inability to compete successfully on costs.

Mr. William Whitelaw, Home Secretary, announced that the second stage of the Edmund-Davies award to the police, due to be paid in September, is to be implemented immediately.

• Mr. Mark Carlisle, Education Secretary, appealed to the two biggest teachers' unions to suspend their work-to-rule pending resumed negotiations.

The Government's action is honouring a previous pledge to bring forward the 20 per cent payment to police by four months was described by the Police Federation last night as "a magnificent start by the new Government."

The understanding that each side will be able to verify the other's deployment of missiles. This has been one of the principal sticking points in the last year, particularly in the wake of the loss of U.S. monitoring bases in Iran, and may be one of the main sticking points.

Most of the main items had been essentially agreed well over a year ago, not long after the first SALT treaty expired in October 1977.

Mr. Carter's decision to normalise relations with China last December and the subsequent visit to the U.S. of Mr. Deng Xiaoping, Peking's senior vice premier, made it difficult for the Soviets to agree to a speedier resolution.

The cost of implementing the second instalment of the award backdated to May 1, is estimated at about £50m. The full package will now cost £250m. Basic pay of a police constable will now be £2,600 on joining the force, or £4,300 if he is aged 22, rising to £5,700 after 15 years' service.

A sergeant's basic pay will be £5,450 to £6,250. London police will receive an additional £600 a year.

Continued on Back Page

£ in New York

	May 8	Previous
Spot	£2.0705-0715/52.0805-0815	
1 month	0.27-0.28/52.08-0.28-0.28/52	
3 months	0.45-0.40/52.08-0.53-0.48/52	
12 months	1.95-1.88/52.15-1.85/52	

Monsanto to close Europe nylon plants

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE U.S.-BASED Monsanto chemicals group is planning to close down its European nylon business at a cost of 2,300 jobs—1,500 of them in the UK.

In the four years since 1975, Monsanto said yesterday, its European nylon fibre operation had lost \$83m (around £22m), and long-term prospects remain poor. It had therefore decided to seek immediate consultation with Government representatives and with the trades unions "with a view to an early withdrawal from the nylon operation in Europe without success."

Against a background of escalating raw material costs and surplus European nylon capacities, we cannot justify additional investments

EUROPEAN NEWS

Progress on fuel saving reported by energy agency

BY ROBERT MAUTHNER IN PARIS

MOST MEMBERS of the International Energy Agency (IEA) have begun to implement the decision taken by the organisation's governing board two months ago to reduce their demand for oil by about 5 per cent or 2m barrels a day, according to a report issued yesterday.

The report stresses that member-countries are at various stages in adopting and implementing national measures, so that an exhaustive comparison is not yet possible.

Price phase-out

The U.S. programme is based on price measures, steps to increase domestic production, a switch from oil to other fuels, and moves to reduce demand through persuasion and legislation.

Starting in June, the controlled price of domestically produced oil will be phased out, producing an expected saving this year of 60,000 to 80,000 barrels a day.

Oil production from Elk Hills and the Alaskan North Slope will be increased from 20,000 barrels a day to an estimated 170,000.

Utilities have been asked to use excess non-oil-fired capacity, and a relaxation of coal-burning exhaust emission standards is being considered.

With the switch from oil to natural gas by utilities and major industrial users, these programmes are expected to save some 350,000 to 600,000 barrels a day.

A media campaign to cut energy use will produce estimated savings of 200,000-250,000 b/d, while programmes involving Federal operations and non-residential building could save as much as 215,000-410,000 b/d.

If all these efforts fail, the U.S. Energy Department has the authority to impose allocation and rationing.

The UK's programme is based on increased production, switching from oil to other energy and fuel allocation.

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Italy calls in army for election security

By Paul Bettini in Rome

ARMY UNITS were called in yesterday to support Italy's police forces in an attempt to prevent the general election campaign being marred by terrorist outrages.

The decision, taken yesterday by the caretaker Government's committee on security, follows a renewed and particularly fierce wave of politically motivated violence coinciding with the opening of the campaign for the election, which takes place on June 3 and 4.

The last time the Government called in the army was when the late Sig. Aldo Moro, the late Christian Democrat leader, was kidnapped and murdered by Red Brigade's ultra-left extremists.

Memorial services were held throughout Italy yesterday for Sig. Moro, whose body was found dumped in a car in the centre of Rome a year ago yesterday.

Sig. Attilio Ruffini, the Defence Minister, said army units would protect key buildings and points which could be targets of terrorist attacks during the campaign.

Sig. Ruffini indicated that a decision would be taken later over whether to continue using the army after the elections.

After last week's terrorist raid on the Rome branch headquarters of the Christian Democrat Party, in which one police officer was killed and two others seriously injured, the caretaker Government of Sig. Giulio Andreotti had come under increasing pressure to take firmer anti-terrorist measures.

Industry output up in March

By Our Rome Staff

THE SUSTAINED recovery

of Italy's industrial production was confirmed yesterday by official figures, which showed a 9.2 per cent increase in output last March compared with March, 1978.

Industrial output in the first quarter increased by an average of 7.8 per cent compared with the same period last year.

Against this, unemployment figures released yesterday show a worsening trend.

And indeed the city centre, once a scene of evenings out

Rupert Cornwell, recently in Padua, reports on the hot-bed of Italy's ultra-Left

A cancer in the city of St. Anthony

seems strangely deserted at night as if Paduans imposed their own unofficial curfew upon themselves.

All this however pales beside the sensational arrest on April 8 of 15 leading "Autonomists," including Sig. Toni Negri, professor at Padua's political science faculty, and the leading theoretician of the movement.

The preliminary charges were of belonging to an armed band and insurrection against the state. Within days he had been transferred to Rome for questioning by magistrates there

impact on Italy). It is generally thought to have two parts, a neo-Marxist political movement, Autonomia Operaia (Workers' Autonomy), out of which has sprung an armed operational section, Autonomia Organizzata.

Hitherto the movement had been considered distinct from the Red Brigades, who have few political sympathisers, and seemed out to hit specific, important targets. The Autonomists, on the other hand, have worked from the bottom up, with identifiable sympathisers.

Behind them, beneath the 1434 clocktower which crowns the old Governor's palace, are scrawled familiar scarlet graffiti: "Calogero," hands, of Autonomia, and "the Communist march will not be stopped."

It is vital to realise, though, that the Communists referred to are anything but the ones led by Sig. Enrico Berlinguer. That provides an important clue to the emergence of Padua, and indicates starkly the danger that the far Left, disillusioned with the Italian Communist Party's "revisionist" policies, presents to Sig. Berlinguer's chances at the polls on June 3.

Professor Sabino Acquaviva, himself a sociology professor at Padua and a longtime colleague of Professor Negri, believes that the growth of terrorism in Italy is due to the collapse of the old system of values, and in particular of the failure to adjust to the Catholic Church.

Indeed, both Professor Negri and the jailed Red Brigade leader Sig. Renato Curcio, came from Left-wing Catholic backgrounds, but moved further left with the awareness that the Church had lost touch in the post-war industrial transformation of Italy.

All this is doubly true in the north Italian town: evidently prosperous, faintly disorganized, and with a stunningly beautiful historic centre.

But you need only a second glance to perceive the other normality of Padua, and the other Italy it symbolises. Since 1968, the city has been a cockpit of extremism and guerrilla warfare, first from the Right, and then, from the early 1970s, from the far Left. Last year alone 170 acts of political violence were committed there, and a further 80 alone in the first four months of 1979.

"It's a cancer within," says Sig. Antonio Garzotto, a local journalist wounded in a terrorist assault three years back, almost certainly on account of his overzealous coverage of what was going on. "We're used to it now. The people look on the university as the source of all evil, and they take their own precautions."

But Sig. Calogero is said by those who know him to be a scrupulous, and painstaking man, not given to reckless allegations, nor one bent, in his own words, "on making crimes out of ideas." For three years he has been putting documentary and witnesses' evidence together on the autonomist movement, to be revealed when the moment is ripe.

There are signs indeed that this may already be happening. The "night of fire" on April 30, when 27 terrorist attacks took place virtually simultaneously in Padua and the Veneto region (assumed to be in retaliation for the arrests) implies an unprecedented mass mobilisation of commandos. The same conclusion can be drawn from the

momentum" in the rector's words, which now have apparently become factories of violence.

That some of Padua's teaching elite have leaned to the Left has long been known. But a faculty like psychology, of whose 10,000 students only 1,000 at best can hope to find an appropriate job afterwards, provides a perfect soil for ultra-Left ideas to take root. Unsurprisingly, Professor Merigliano would like to see some form of controls upon enrolment, at least to provide a breathing space.

He himself is research-oriented, an engineer by training, tired of all the unwanted publicity.

The rector's argument is that the extremists are a tiny part of a basically healthy university. His rule-of-thumb reckoning is "one per cent of lunatics." On this basis, Padua's 60,000 students would provide 600 activists, with a further 40 from the total teaching staff of 400.

Put another way, though, Add to this the international links of both university and region, and the fertile seedbed of Padua/Venice/Mestre, which industrialisation has turned into a mini-metropolis, with 1m inhabitants, and one can see why the area has been described as a "parking lot for international terrorism."



THE MORO KILLING: Sig. Aldo Moro's body found dumped in the back of a car one year ago.

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OVERSEAS NEWS

Israel tanks in Lebanon raid

BY DAVID LENNON IN TEL AVIV

ISRAELI infantry backed by tanks crossed into southern Lebanon yesterday in pursuit of Palestinian guerrillas who clashed early in the morning with an army patrol in northern Israel.

The Israeli raid appeared to be the largest land attack since its forces occupied south Lebanon in March last year. The armoured thrust centred on the village of Shakra in south-east Lebanon.

According to UN officials, the occupation of the village took place during a rotation of units. It is the first direct Israeli penetration of the area covered by the UN peace-keeping forces who were dispatched to the Lebanon 13 months ago.

This was the fourth consecutive day of Israeli attacks on the Palestinian forces in Lebanon. Since Sunday, Israeli aircraft have struck daily against Palestinian bases.

The air strikes, like yesterday's land raid, are part of a

new Israeli policy of constantly harassing the Palestinian forces in an attempt to destroy their organisational structure and to hamper their plans for attacks on Israel.

The military spokesman in Tel Aviv said that one guerrilla was wounded and captured during yesterday's clash near the border kibbutz, Manara. He announced that the Israeli forces crossed into Lebanon to search for the rest of the Palestinian group and withdrew in the afternoon.

The raid coincided with the publication of a report by the State Comptroller criticising the army's handling of last year's invasion and occupation of Southern Lebanon in which more than 20 soldiers were killed.

In his annual report the Comptroller said that the attack forces had not been properly equipped and had not been given adequate intelligence information about the terrain on

which they were to fight. Many tanks were blown up by mines because the roads had not been checked before the armour was sent in.

Only a part of the report's criticisms were published, as the army objected to all the shortcomings of the operation being made public.

Meanwhile, the Knesset has rejected a motion of no confidence in the Government over its decision to release 76 Palestinian guerrillas from prison last month in exchange for one Israeli soldier captured by the Palestinians during last year's occupation of South Lebanon.

Palestinian critics pointed out that many Israeli hostages taken by Palestinian guerrillas had died in the battles which ensued when Israel pursued its declared policy of never negotiating with the guerrillas. They asked how these deaths could be justified when Israel's Islamic movement. The vote, on a motion by Syria, was unanimous.

Gandhi associate condemned by commission

By K. K. Sharma in New Delhi

MRI. DEVARAJ URUS, Chief Minister of Karnataka State in south India and a close supporter of Mrs. Indira Gandhi, was found guilty by a commission of inquiry yesterday of eight charges of favouritism and misuse of power. The commission was appointed by the central Government of Mr. Morarji Desai.

Mr. Urs is unlikely to follow the convention that has obliged Chief Ministers in similar situations in the past to resign immediately.

Mr. Urs won Karnataka for Congress in State elections a year ago. Since then he has clashed with Mrs. Gandhi over the return to politics of her son, Sanjay. He criticised Sanjay recently for propagating a "personality cult." But as he now needs their support, Mr. Urs is expected to close ranks with the Gandhis for mutual support.

Court explains Iran executions

By SIMON HENDERSON IN TEHRAN

THE INCOMPATIBILITY of Iran's civilian Government with the country's Moslem hierarchy became yet more obvious yesterday when Islamic revolutionary courts sentenced to death seven more supporters of the Shah's regime. Dr. Mehdi Bazargan, the prime minister, was saying, meanwhile, that the country must not act as a tyrannical machine.

This week's executions—21 people were shot on Tuesday,

were defended in a rare statement from the secret revolutionary court in Tehran. It complained that the people's fervour for arresting agents of the Shah's regime had declined.

That allowed counter-revolutionaries to act more boldly, particularly in provoking regional troubles. In ordering the executions, the statement said, the court was meeting the demands of the people that the revolution should continue. It criticised what it called supporters of the "rights of man of the American

variety," saying the revolution would not be diverted from its true path.

The message broadcast by Dr. Bazargan, who is a former human rights activist, was perhaps his final protest against the contempt with which his Government has been treated by the Shi'ite Moslem clergy led by Ayatollah Khomeini. The Prime Minister is known to disapprove of the executions of which there have now been 198 since the revolution in February. He has previously threatened to resign on the issue.

Dr. Bazargan pleaded with the nation to co-operate with the Government in solving the country's problems. He said freedom of action, choice and initiative must be given back to the people.

He also announced a new policy for Iran's minorities which have clashed several times with the new Government on the question of regional autonomy. He said there should be self-sufficiency for the regions so that not every order or decision was made by the

central Government. A Government committee was considering whether it would be possible to set up regional assemblies before the new constituent assembly was formed, he added.

The question of regional autonomy, particularly for the Kurds in the West, the Turks in the North-east, the Arabs in the South-west and the Baluchis in the East, has previously been greeted with suspicion by Iran's Prime Minister.

A Kurdish delegation in Tehran yesterday accused Dr. Bazargan of lack of interest in its cause. Led by Dr. Abdurrahman Qasemloo of the Kurdish Democratic Party, the delegation said Ayatollah Khomeini had agreed to send a mission to investigate causes of recent fighting.

Another religious leader, Ayatollah Sharif Madari, is believed to have told the delegation that he would use his authority among Turkish-speaking Azerbaijanis to re-establish good relations between them and the Kurds.

Birendra urged to defy hardliners

By Chris Sherwell in Kathmandu

DECISIVE ACTION by King Birendra to prevent a worsening crisis in Nepal after a month of student disturbances, was urged yesterday by two of the country's key political figures. Mr. B. P. Koirala and Mr. Ganesh Man Singh were both among 64 detainees released by the government overnight.

As they spoke, scores of police with batons patrolled the streets of the capital, Kathmandu, to head off further trouble. Reports from Bharatpur said two people had been killed and 25 wounded in a demonstration. In Patan, across the river from Kathmandu, police charged a crowd of high school students.

Student leaders appear uncertain about their next step, having won the release of the detainees.

Mr. Koirala, a former Prime Minister and leader of the banned Nepali Congress Party, said yesterday that the Government had bungled its handling of the student protest because it was totally isolated and unresponsive to the people's mood.

King Birendra could not avoid making major changes, and had only to make up his mind in the face of hard-line pressures inside the palace. If he could not do that, he had no business on the throne.

Mr. Ganesh Man Singh said that if the King failed to agree on a more democratic course for the country, a peaceful non-co-operation movement would be launched.

Mr. Koirala and Mr. Singh were detained on April 27 under the Public Security Act.

No reasons were given, and both men see their arrest and subsequent release as signs that the Government does not know which way to turn.

Among 62 other opposition leaders released yesterday were several members of the banned Communist Party.

According to the Government, no one is now in jail in connection with the student troubles. But student leaders estimate that 20 of their colleagues are still being held.

West Sahara peace search

BY FRANCIS GHILES, RECENTLY IN MOROCCO

NEGOTIATIONS AT a senior level between the countries involved in the Western Sahara conflict are now under way, according to Western diplomats in Morocco.

Last year, a planned meeting between King Hassan and President Boumedienne had to be cancelled because of the Algerian leader's fatal illness.

But his successor, Colonel Benjedid Chailly, has re-opened contacts with Morocco and that this territory would then be federated with Mauritania.

Colonel Ould Boucif, the Mauritanian Foreign Minister, returned home this week after a trip to Fez, Paris and

that Algeria would agree to clients.

It is still not clear how far Algerian aims may have changed since Colonel Chailly became President.

Some Algerians are known to want to use King Hassan and saw support for Polisario as a means of achieving this.

Others have been more cautious, fearing in particular that the fall of Hassan could unleash ultra-nationalistic forces in Morocco. This could have serious consequences for Algeria since almost every Moroccan is convinced that the Western Sahara is Morocco's historic right.

Morocco's own Vietnam

BY OUR OWN CORRESPONDENT, RECENTLY IN EL AAIUN

MOROCCAN officers on leave from the Saharan war are greeted back home with cries of relief. Their families do not want to hear about the fighting against Algerian-backed Polisario guerrillas, against whom a drawn-out counter-insurgency campaign has been conducted since Morocco took over the province from Spain in 1975.

But increasingly, Moroccans are questioning the decision to fight what is seen in some circles as Morocco's Vietnam.

King Hassan used the Sahara three and a half years ago as a patriotic base to rally support behind his authority.

The quick takeover which

the spectaculair "Green March" into the Sahara by 350,000 specially

mobilised Moroccans was meant to accomplish peacefully against the Spanish colonial authorities has turned into a grueling guerrilla war.

Having staked his position on this anti-colonial gamble, the King now finds himself committed to a war portrayed abroad as imperial aggrandizement and whose burden is losing him support at home.

Most Moroccans still pay lip-service to the official line of an historic right to the Sahara and of national determination to pursue the war—a line reiterated in endless editorials.

But complaints about the cost of living and deteriorating social conditions are growing.

"Life is exorbitant because of the Sahara" is a refrain heard everywhere. Much of this can be blamed on Morocco's domestic economic difficulties.

Since the total economic costs of the war are estimated at \$1m per day, the Saharan issue is becoming a not unjustifiable focus for discontent.

Official propaganda has changed. For the first time in three and a half years, Morocco has now officially admitted there is a war, o n its doorstep—and publishes "victory" lists whose figures look as dubious as those of Polisario.

Soldiers returning from the Sahara speak of a growing malaise about appalling conditions as they prepare to face a fourth burning summer of desert counter-insurgency.

The men complain about the difficulty of fighting fast-moving Polisario columns from fixed positions, of not being given leave (most have been there for four years) and the boredom they feel in this inhospitable terrain where there is no entertainment and no drink.

Officers, who enjoy more privileges, have other frustrations.



and again in 1973. To prevent such a recurrence, there have been few promotions. Officers are also angered that there have been no decorations or admissions of valour. Moroccan losses have been estimated at between 50-100 a month.

If controlled corruption keeps the senior ranks (particularly at home) happy, most younger officers sympathise with the political opposition in Morocco. This has the effect, not surprisingly, of disintegrating morale.

Discontent has been expressed by a senior officer in Zaire who has reportedly written a personal letter to King Hassan urging him to remove restrictions inherent in the command chain in the Sahara "as we cannot win a war under these conditions."

An increasingly expressed view is that the King is badly informed about the Sahara. A new commander, Col. Mohammed Aboabrouk, has taken over there because his predecessor found himself unable to conduct proper anti-guerrilla tactics.

He took troops back into three heavily fortified enclaves at Al-Azizun, Smara and Bojador, abandoning the desert

and again in 1973. To prevent such a recurrence, there have been few promotions. Officers are also angered that there have been no decorations or admissions of valour. Moroccan losses have been estimated at between 50-100 a month.

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Political and military initiative is increasingly on Polisario's side—not least because Morocco has effectively lost its Mauritanian ally in the war. Mauritania, now largely infiltrated by Polisario, came in on King Hassan's side in 1975 to carve up the Sahara.

Polisario is highly motivated and increasingly effective, because of Algerian and Libyan support and training.

All the cards are stacked on Polisario's side. In an atmosphere of increasing international isolation, the onus is on Morocco to find a diplomatic solution, before the war brings the country to its knees.

Island of Eastern promise

TAIWAN HAS few resources beyond its fertile land and good weather for crops. All the major industrial nations have severed formal diplomatic ties with its Government and it spends enormous sums to maintain one of the largest standing armies in the world.

Despite these drawbacks, Taiwan is generally ranked third among nations in Asia in terms of "country risk" involving commercial loans behind Japan and Singapore, but ahead of Australia and South Korea.

This degree of banker's confidence in Taiwan may seem surprising in view of the precarious relationship it has with China.

But the economic record and the country's near and medium term prospects appear to justify the assessment.

In the 1950s the emphasis was on developing agriculture which accounted for nearly all exports, and on light industries to substitute for imports, moving in the 1960s to greater emphasis on industrial exports and a diversification of agricultural exports.

Real economic growth rose from an average 7.4 per cent a year from 1953-64 to 9.8 per cent from 1965-77, reaching 12.8 per cent in 1978.

To secure the economy, the Government embarked in the 1970s on a number of ambitious heavy industrial projects which have transformed the economy into one of the most developed States in Asia, rivalling South Korea which has over twice the 17m population of Taiwan.

The comparison with South Korea, in fact, provides a useful perspective on Taiwan.

In 1978, Taiwan's gross national product was \$22bn, compared with \$46bn in Korea. Taiwan's growth rate of 12.8 per cent was slightly higher than Korea's 12.5 per cent as was per capita GNP (\$1,304 v. \$1,242).

Taiwanese exports were up 35.7 per cent last year to

12.704bn, only \$7m short of Korea's export total (a growth rate of 20 per cent).

At the end of 1978, Taiwan's foreign reserves amounted to \$5,350bn compared with Korea's \$4,927bn.

Taiwan's inflation (a sensitive point for the Nationalist Government which believes rampant inflation was a major reason for their defeat by the Communists) was only 3.8 per cent compared with 14.4 per cent in Korea last year.

The Taiwanese have been much more cautious in their approach to the economy than the Koreans, avoiding an over-emphasis on developing heavy industries aimed primarily at the export market.

They have built the world's newest steel mill, a shipyard with a 1m-ton-capacity drydock and a sophisticated petrochemical industry (all three government-owned). But the rather modest goal of these projects is to reduce dependence on foreign suppliers.

The first of the big industrial

plants to be completed was the shipyard, finished in 1978 just in time for a worldwide shipbuilding recession.

The yard has built 18 ships, including two supertankers for Burnham Oil, but the bulk of its orders now are from Taiwanese concerns.

The steel mill was completed in December, 1977, on a site next to the steel plant with a capacity of 1.5m tons per year, 400,000 tons of which consists of steel plate.

With those projects well on the way to completion, the Government is turning its attention to developing its heavy machinery industries and hopes to produce diesels, trucks and large turbo generators in joint ventures with foreign companies.

China Steel will not have the capacity to be a major factor in world steel trade for some time, but it should eventually be highly competitive, given the low cost of labour.

In Taiwan, the labour cost per ton of steel produced is \$28, Japan.

Since the oil crisis of the early 1970s, the Government has also worked to reduce Taiwan's dependency on overseas supplies of petrochemicals to supply its fast-growing plastics and textiles industries.

By 1982, it will have four naphtha cracking plants with a capacity of 900,000 tons of ethylene per year to supply downstream industries.

The Chinese Petroleum Corporation partly subsidises the price of its products to the downstream industries, shielding them from some of the impact of high oil prices worldwide and shortages of petrochemicals.

To reduce its dependence on oil (all imported), the Government has built two nuclear power plants and will have completed its fourth by the early 1980s.

With those projects well on the way to completion, the Government is turning its attention to developing its heavy machinery industries and hopes to produce diesels, trucks and large turbo generators in joint ventures with foreign companies.

A report on the Annual General Meeting that will take place in Brussels on May 25, 1979 will be published in this newspaper.

Union Miniere—Public Relations Service

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J. D. M. S.

JUN 10 1979

Violence in California petrol queues

LOS ANGELES — Many Californians jumped queues, brandished guns, knifed each other or scuffed at the pumps Tuesday night before the midnight deadline for the introduction of petrol rationing.

Drivers showed themselves prepared to use force to get their tanks filled before the deadline and police and other officials reported ugly scenes in queues of ill-tempered motorists.

A pregnant woman was beaten up by a man who thought she had jumped a

queue. A driver in Hollywood held off an angry crowd at gunpoint as he pumped fuel into his tank after queuing in front of 50 cars.

Many filling station attendants armed themselves with clubs or guns. Several knifings were reported and there were constant scuffles and crashes as motorists who tried to sneak ahead were rammed by other drivers.

Throughout California petrol cans and lockable fuel tank caps were in short supply. In San Diego, hospitals treated about 40 people for the effects of

swallowing fuel while trying to siphon it from tanks. In Santa Ana, a family of seven were badly burned when fuel stored in their garage exploded.

After a week of petrol shortages, Californians were either "coping with the crisis or going crazy," one police officer said.

On the bright side, some filling stations had roller-skating girls, wearing shorts and smiles, selling coffee and doughnuts to the majority of drivers who patiently waited their turn.

Under Governor Brown's

rationing scheme, cars with number plates ending in odd numbers can be served only on odd-numbered days and cars with even numbers on even days.

There seemed no single reason why the predicted worldwide oil shortage should hit California first. One theory was that Californians had increased consumption by 9 per cent in the past year—against 4 per cent for the U.S. as a whole. Petrol companies, however, made deliveries based on consumption a year ago.

Reuter

19 die in El Salvador gun battle

AT LEAST 19 people were killed and 38 injured when leftist gunmen who had been holding San Salvador's cathedral since last Friday, fought a pitched battle with security forces in front of the building.

Rioting also broke out when other members of the Popular Revolutionary Bloc burned buses in San Salvador.

The battle erupted shortly after a demonstration called by members of the Bloc settled out. But groups of leftists went into the streets and snipers opened fire when security forces approached the cathedral.

Red Cross officials allowed into the cathedral area soon after the shooting evacuated at least 30 wounded, some of them in critical condition.

But 30 members of the Revolutionary Bloc who had been occupying the cathedral and about 50 other members of the organisation, who took refuge there to escape the shooting, said they would stay until their demands were met.

Meanwhile, three gunmen remained in the Costa Rican Embassy, after Sr. Julio Esquivel Valverde, the Costa Rican Ambassador, and four other hostages had escaped.

Another 16 gunmen were still holding five hostages, including French Ambassador M. Michel Dondenne, at the nearby French Embassy.

Agencies

Uniroyal tyre workers called out on strike

BY STEWART FLEMING IN NEW YORK

THE United Rubber Workers' Union yesterday launched the to the wage guidelines ended Carter Administration's wage after a 10-day strike, when the second major challenge to the Teamster's Union settled for a three-year increase of around 30 per cent, a rise which was seen to have stretched the policy to its limits if not beyond.

Mr. Bonmarito has been following a more cautious negotiating approach compared with the rubber industry's previous contract, which expired on April 20. Mr. Peter Bonmarito, the URW President, called 12 Uniroyal plants out on strike, making some 8,200 employees idle across the country. A union spokesman said that no contract negotiations are scheduled.

to be able to withstand a strike without serious impact on its profits for four to six weeks. A key plant in Oklahoma which produces about half of its radial tyres is not on strike because it is not unionised. In addition, it is believed to have built up substantial stocks.

The rubber workers have made no secret of their determination not to be forced to succumb to the Carter Administration's wage guidelines. Uniroyal claims to have exploited all the loopholes in the guidelines to be able to offer a 28-29 per cent wage increase over the three-year contract.

Sabotage inquiry at nuclear plant

WASHINGTON—The Federal Bureau of Investigation is probing possible sabotage of nuclear fuel rods at a nuclear power station in Virginia, the Nuclear Regulatory Commission (NRC) said yesterday.

The Virginia Electric Company said it found a white crystalline substance on 62 of 64 rods at its Surry plant near Norfolk.

The company said preliminary indications were that the fuel was not damaged by the substance, although the rods might have to be repacked.

The Surry plant was one of five shut down by the NRC in March because the agency was not sure it could withstand earthquake damage. It is expected to reopen soon.

Reuter

Provincialism dogs oil debate

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE UNITED STATES Senate was yesterday moving uncertainly towards a vote on President Carter's proposed standby petrol rationing plan, after a series of bewildering parliamentary manoeuvres and Administration concessions, which showed the White House at its most unsure and Congress at its most parochial.

The House of Representatives will probably vote on the package either today or Friday. If either chamber backs by the Friday deadline then all or parts of Mr. Carter's plan will be dead. On Tuesday the Senate Energy Committee first reversed an earlier motion approving of the

White House concessions

on the rationing plan were delivered at the last minute, after it dawned on the administration that prospects for success were receding fast.

In fact the Administration was being bombarded with demands from Senators representing particular constituencies: on the Energy Committee, the Senator from Hawaii wanted special concessions for the sugar and pineapple industries, those from Kentucky and Wyoming for agriculture in general and from Oklahoma that the state's oil industry be allowed enough oil to continue searching for oil.

All of which prompted an outburst from Senator Lowell

Weicker, the Connecticut Republican, who caustically observed: "I haven't seen how this (the latest White House plan) affects Connecticut, and, gentlemen, I don't care. Stop nitpicking every plan we get down here. Provincialism is getting in the way of the national interest."

Meanwhile, three gunmen remained in the Costa Rican Embassy, after Sr. Julio Esquivel Valverde, the Costa Rican Ambassador, and four other hostages had escaped.

Another 16 gunmen were still holding five hostages, including French Ambassador M. Michel Dondenne, at the nearby French Embassy.

Agencies

Miller joins talks on Euromarket control

BY DAVID MARSH

TALKS between major central banks on the possibility of introducing reserve requirements on Euromarket bank deposits are now in a "definite exploratory stage," one of the participants at this week's central bankers' discussions in Basle, said yesterday.

The subject was aired, along with other possible methods of improving control of the Euromarkets, at a meeting last Sunday between Mr. William Miller, chairman of the U.S. Federal Reserve Board, and other central bank governors. Their discussions preceded the regular monthly central bankers' sessions at the Bank for International Settlements, held on Monday and Tuesday.

Mr. Miller, who, like his predecessor, Dr. Arthur Burns, takes part in the meetings two or three times a year—brought with him a working paper drawn up by the Fed outlining ideas for reserve requirements.

These would extend to Euromarket deposits the system of regulatory minimum reserves which national banking authorities already impose on bank deposits of domestic currencies.

It is by no means certain whether a system of Euromarket reserve requirements will eventually be agreed, as there remain wide differences among central banks on whether such a move is either needed or would work. The Bank of England is felt particularly to be opposed.

However, it was reported that there was now a common will among central banks to explore ways of controlling the rapid growth of the Euromarket, which reached a gross size of some \$860bn at the end of last year.

The imposition of reserves requirements—which would have to be done on a concerted basis



Mr. Miller at Basle meeting

said to be just one of the methods under discussion.

The subject of better Euromarket control has been under discussion at central bankers' meetings in Basle for some months. The West German Bundesbank in particular feels that the fast growth of external currency holdings has contributed to foreign exchange market instability, and has also led to an over-expansion of international liquidity.

The latest discussions in Basle follow the introduction of a Bill in the U.S. House of Representatives last week to impose reserve requirements on Eurocurrency holdings of U.S. banks and their foreign branches. However, the requirements would be imposed only over a period of four years and after most other important countries had also introduced them.

Venezuelan plan for extra OPEC aid

BY KIM FUAD IN CARACAS

A PROPOSAL for increasing and liberalising aid by the Organisation of Petroleum Exporting Countries to non-oil developing nations will be handed to key OPEC members by Venezuelan Energy Minister Dr. Humberto Calderon Berti, who is on a two-week tour of the Middle East and North Africa.

"This is the most important initiative that the organisation can take this year," Dr. Calderon said in an interview before his departure. The proposal, to be presented formally to the OPEC conference in Geneva next month, calls for injecting an additional \$300m into the OPEC special fund, which currently holds only \$400m of the original \$1.65bn funding.

Venezuela will also propose widening eligibility for receiving OPEC aid. At present, only four Latin American and Caribbean states—Bolivia, El Salvador, Honduras and Haiti—receive such aid. Venezuela would like to see other OPEC countries share its burden of aiding Central American and Caribbean nations. This aid cost Venezuela around \$25m last year, for a total of \$245m since 1975.

Politically, Dr. Calderon is concerned over what he describes as a "worldwide movement promoted by industrialised nations to turn non-oil developing countries against OPEC." In March four Latin American heads of state and Spanish Premier Adolfo Suarez, in Caracas to attend the inauguration of President Luis Herrera Campins, issued a statement

criticising OPEC oil price hikes and demanding aid. One Costa Rican President Rodrigo Carazo, has been active in promoting an Organisation of Petroleum Importing Countries (OPEC) to pressure Venezuela for better oil price terms.

Dr. Calderon said Venezuela will propose mechanisms to its OPEC colleagues to soften the impact of spiralling oil prices on developing countries. While he did not reveal details, there has been speculation that such aid could come through the use of premiums paid by industrialised nations above OPEC's market crude price. This "Robin Hood thesis" of taking additional funds from the richer countries for distribution among poor nations has won support from a number of Venezuelan officials. Others warn, however, that such a system could generate a dangerous reaction.

The Venezuelan Minister said he believes the OPEC special fund may eventually be transformed into an "OPEC bank," an idea posed unsuccessfully by former Energy Minister Hugo Perez La Salvia. Such a bank would offer non-oil developing countries long-term, low-interest credits for developing their own energy sources. While Mr. Calderon is overseas, Venezuela and Canada's state oil company are drafting terms for a major government-to-government oil supply accord aimed at partially replacing major international oil companies currently moving Venezuelan oil to Canadian markets.

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WORLD TRADE NEWS

Korean link Tokyo's trade concessions seen by U.S. as ineffective

By Charles Smith, Far East Editor, in Tokyo

JAPAN'S foreign exchange and foreign trade control law is being violated on an increasingly large scale, according to the National Police Agency, which has the task of tracking down cases of illegal transfers of money in and out of Japan.

The NPA says it carried out several successful investigations of illegal exchange transactions in the last year, but the amounts involved were much larger than before, totalling ¥12.26bn (£28m). In 1977 illegal transfers of money in and out of Japan uncovered by police investigations totalled ¥6.4bn while the 1976 figure was only ¥4.73bn.

The NPA attributes the decline in the number of exchange control violations to the partial liberalisation of the law early last year. This meant that minor offences such as exceeding the limit on the amounts of yen currency allowed to be taken out of Japan by individual travellers have virtually ceased.

However, large scale exchange control violations involving illegal exports, bribery and gambling have been increasing at a fast rate. More than 90 per cent of illegal transfers of money into Japan involved South Korea for the 12-month fiscal period ending on March 31, this year. South Korea was also the recipient of more than 60 per cent of funds illegally transferred out of Japan.

The "boom" in foreign exchange control violations, which could be running at a level about one hundred times greater than that of successfully investigated cases, is put down to recession conditions in Japan and the need of small businessmen to find ways of making a living by legal or illegal means.

Typical instances of cases uncovered during 1978 include a gold export syndicate in Shimonoseki which sold an abnormally large amount of gold to South Korea over an 18-month period, and a Tokyo businessman who signed a contract with the Philippines for the supply of 1m hand grenades — arms exports are forbidden in Japan unless specifically licensed by the Government. The arms exporter was arrested after shipping the first 100,000 pieces provided for in his contract.

Another category of cases uncovered by the NPA involves the understatement of quantities of goods shipped to countries maintaining export restraint agreements with Japan and the over-invoicing of exports into Korea as means of enabling Korean importers to accumulate illicit foreign exchange accounts in Japan.

BY DAVID BUCHAN IN WASHINGTON

COMPUTERS, semi-conductors and film are the chief U.S. exports likely to benefit from the Japanese Government's pledge to try to implement tariff reductions three years earlier than agreed with other countries in the GATT trade negotiations, a top U.S. trade official said yesterday.

Mr. Alan Wolff, the deputy U.S. trade representative, also commented that the Japanese trade concession, announced last week by Prime Minister Masayoshi Ohira partly as a gesture of political goodwill during his visit here, would not make much of a mark by itself in Japan's large trade surplus with the U.S., now running at an annual rate of \$8bn.

He pointed out that despite some unilateral tariff cuts by Japan since 1972, its global foreign trade surplus still amounted to \$24bn last year.

Keeping up the pressure on what the U.S. sees as the main

said, "but at least we should be allowed to try."

The opening of foreign government procurement to U.S. companies is where the Administration sees the largest single benefit to the U.S. emerging from the GATT trade agreements.

Under bilateral agreements already reached on this, Mr. Wolff estimated that a new export market worth \$20bn (without Japan) would be opened up to American business.

The Carter Administration is still confident it can stick to its tight timetable for passage of the GATT agreements through Congress by August.

The legislation will be formally introduced on June 1, but because it cannot by law be amended in the committees or on the floor of either House of Congress, its consideration by Congress is likely to be reasonably speedy.

Japanese steelmen visit Mexico

BY WILLIAM CHISLETT IN MEXICO CITY

A HIGH-LEVEL Japanese steel mission is in Mexico to discuss with Government officials Japan's interest in helping Mexico to expand its steel industry and enlarge its ports. The mission is headed by Mr. K. Harada, executive vice-president of Nippon Steel, and includes representatives from Nippon Kokan Steel, Kawasaki Steel and Kobe Steel. The shipbuilding company, Ishikawajima-Harima, and the Industrial Bank of Japan, the Bank of Tokyo and the Export-Import Bank of Japan are also represented.

The delegation is the highest of its kind to visit Mexico since St. Jose Lopez Portillo became President at the end of 1976, and it demonstrates Japan's increasing interest in oil-rich Mexico.

Japan is seeking to win part or all of the contract for the

second stage of the Government's steel mill, Sicasila, at Lazaro Cardenas on the Pacific Coast. Japan, like Britain, was involved in developing its ports.

The mission has not yet made up its mind about the second stage. Recent reports indicate the Government may opt for the Ruy gas-fired sponge iron electric oven process (Hyssa) in a private Mexican steel mill, rather than the traditional coal-fired blast furnace BOF process.

Mexico has offered to sell Japan 200,000 barrels a day starting in 1980, but the Japanese consider Mexico's price of \$17.10 too high. Mexico's oil is higher than OPEC.

Mexico's ports also are inadequate to take large tankers and, until they are enlarged, Japan is not interested in buying the oil. Japanese officials

here say that the purpose of this delegation is to "test the ground" and if Japan were to become involved in the proposed steel and port expansions then this would be a factor to be taken into account in any oil deals Japan may make with Mexico's oil.

• Ford de Mexico is to invest 1bn pesos (\$21m) to build a plant near Mexico for the assembly of Ford model LTD cars and light trucks. The plant is scheduled to be completed by October, 1980, and will enable Ford to increase its Mexican production by 21,000 vehicles, 28 per cent of current production.

The plant, to be located at Cuauhtemoc, is the first step in a three-part expansion programme. The second and third stages will not be decided on until the success of the first stage is proved.

Pye NZ in China TV production talks

BY MAURICE SAMUELSON

A NEW ZEALAND company, Pye Electronics, is holding talks with Chinese technicians about the feasibility of producing television sets in China.

The Chinese are understood to be interested in a short-term, small-scale agreement, under which Pye would provide technical aid as well as components or kits.

The company is a subsidiary of Pye of Cambridge whose

managing director, Mr. Rupert Jones, said yesterday that a Chinese engineer was holding feasibility talks in New Zealand. The group, as a whole, no longer makes radios or televisions, and the deal would be largely only by New Zealand standards.

The New Zealand company last year doubled its exports of television sets to Hong Kong, Malaysia and Singapore, but Mr. Jones declined to give precise figures.

Dai Hayward writes from Wellington: News of the China deal comes as Mr. Brian Talboys, the Overseas Trade Minister, leads some of the country's leading businessmen and Government officials for 10 days of talks in Peking, in addition to the traditional exports of meat, dairy produce and timber, the New Zealand delegation will be discussing construction of hotels and motels, furnishing and joint manufacture ventures.



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Mr. van Helden has been in the air cargo business for 31 years and he mentioned the frustration of dealing with those who think they know all about air freight. "Knowing cargo transport is a trade," and Bill van Helden is a real professional in a difficult and demanding business. Just like KLM, in fact.

Ransomes and Rapier, an engineering company of Ipswich, has finalised a £5m deal to export walking dragline excavators to Jordan.

Tanzania drops UK double tax accord

By David Freud

TANZANIA has become the second black African country to revoke its double tax agreement with the UK.

It has given notice that the present agreement, which dates from 1952, will cease to have effect from the beginning of next April.

From that date there will be no arrangements to prevent companies and individuals being taxed by both countries on the same set of profits.

The Tanzanian action is significant because the country is regarded as a leading member of the non-aligned Third World.

The revocation of the UK treaty could represent a toughening attitude in the Third World to taxation management fees.

The Tanzanian move comes after Nigeria—Britain's most important export market outside Europe and the U.S.—revoked its UK treaty last summer, as well as those it had with eight other countries.

It is not known whether Tanzania has broken off double tax arrangements with countries other than the UK.

However, there have been severe strains recently in tax relations with the U.S.

There have been two sets of talks between Tanzanian and British tax officials since the beginning of 1977, aimed at reaching a new comprehensive agreement.

However, the talks broke off without conclusion a year ago, and the Tanzanian announcement that the old agreement would be terminated anyway is likely to represent an attempt to put pressure on the UK.

One of the main sticking points in the talks is likely to have been the 20 per cent withholding tax on gross management, professional and entertainment fees imposed by the Tanzanians.

The U.S. Internal Revenue Service announced last year that the withholding tax was not creditable against U.S. taxes, although withholding taxes on dividends, royalties and interest were creditable.

The UK authorities are also likely to be taking a hard line against the management fee withholding tax.

£5m Leyland sales deal

AN ORDER from Tanzania worth more than £5m has been announced by Leyland Vehicles, the truck, bus and agricultural tractor wing of BL.

The sales deal involves nearly 300 vehicles, including chassis for bus and truck use. The chassis will be delivered in component form by early 1980 and will be assembled locally by Leyland Albion Tanso.

Production will be at the Leyland Vehicles Albion plant in Glasgow.

Soviets raise oil price

The Soviet Union, which supplies approximately 70 per cent of Finland's oil, has raised the price of crude by 70 Finnish marks (£8 per tonne) in line with world oil price movements, David Satter writes from Moscow.

The rise, which will cost Finland an extra 500m Finnish marks this year, will oblige the Soviets to purchase an equivalent value of Finnish goods under the two countries' 1976-80 trade agreement. The Soviet Union is to supply Finland with 7m tonnes of crude in 1979 and the price rise takes effect from April 1.

Dragline excavators

Ransomes and Rapier, an engineering company of Ipswich, has finalised a £5m deal to export walking dragline excavators to Jordan.

Italian-Saudi venture

Societe Generale Immobiliare-Sogea SpA (SGCI) has announced it has signed a £100m joint-venture agreement with a Saudi Arabian company for the construction of a 1,300-apartment complex and of a plant to produce prefabricated building units, Reuter reports from Rome.

Hungarian hotel

A consortium of two major Austrian construction firms, Universale and Porr, has captured the largest Hungarian hotel construction order ever awarded for a foreign company, Paul Lendvai writes from Vienna. The contract is said to be worth Sch600m (£20.7m).

The order calls for the construction of a four-star hotel on the Danube in Budapest.

£10m asbestos contract

Atlas Turner, a Canadian subsidiary of Turner and Newall, the Manchester-based engineering and industrial materials group, has been awarded a five-year contract worth C\$23m (£10m) to supply asbestos cement panels for cooling towers at power stations in the U.S., writes Rhys David. The contract is with Research Cottell of New Jersey, and deliveries are planned to begin in August.

Air France places order worth £400m for 33 Airbuses

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR FRANCE has placed one of the biggest individual orders so far for the European Airbus—33 aircraft, worth including spares, well over £400m.

The order includes 13 of the A-300s and 20 A-310s.

The order is good news for British Aerospace, which has a 20 per cent stake in Airbus Industrie, and builds the wings for all A-300s and the new A-310s.

Of the 33 aircraft, 11 (six A-300s and five A-310s) will be delivered between 1979 and 1984, while 22 (12 A-300s and ten A-310s) will be delivered between 1984 and 1990.

McDonnell Douglas has announced that Japan Airlines have bought five more DC-10 series 40 Tri-jets scheduled for delivery in late 1979 and early 1980. Reuter writes from St. Louis. The new purchase will increase the airline's wide-bodied fleet to 14. The value of the new contracts will bring

Salzgitter in £62.5m Iraqi deal

By Roger Boyes in Bonn

IRAQ HAS placed orders worth DM 250m (£62.5m) for two brick factories and five liquefied petroleum gas tanks from subsidiary companies of Salzgitter, the West German engineering and steel group.

The largest order was won by Salzgitter Stahl, the Dusseldorf-based trading subsidiary, which has agreed to build two automated brick factories for DM 150m within 18 months.

The company indicated that the short construction time was a crucial factor in winning the contract against competing European contractors.

Salzgitter will be working closely with the Hanover concern Karl Waite, a leading West German brick kiln design and construction specialist, which will undertake delivery and operation.

A second order for DM 100m (£25m) was placed with the Salzgitter subsidiary Georg Noell, which is to supply LPG storage tanks for a large liquefaction plant near the port of Basrah.

The construction of the tanks, three of which are designed for propane gas and two for butane, will begin in the summer and are expected to come on stream at the end of 1981.

Brazil's trade deficit rises in first quarter

By Diana Smith in

BRAZIL'S trade deficit reached \$397m (£195m) in the first quarter of this year with a \$94m deficit in March. Trade experts are predicting a year-end deficit of at least \$1.5bn compared with \$983m in 1978.

Official trade figures for the first quarter reveal an underestimate of the deficit originally reported for the first two months of the year. This was first quoted as \$355m, without explanation, as \$303m.

Imports for the first quarter rose by 16.14 per cent compared with 1978; oil imports declined slightly due to the Iranian crisis and represented 29 per cent of the total bill, whereas normally they account for well over 30 per cent.

The reserves were comfortably at \$11.9bn in December but the authorities had hoped a modest trade surplus might offset current account problems, OPEC increases, and the effects of local floods and drought earlier this year, dashed their hopes.

Israel's export volume declines

By L. DANIEL IN TEL AVIV

WHILE ISRAEL'S visible exports in the first quarter of this year increased by a nominal 1.6 per cent to \$1,050m (£500m) from \$988.9m in the same period last year, they did in fact not increase, taking into account the fall in the value of the dollar.

As export prices have risen by an estimated 20 per cent, the volume was actually down.

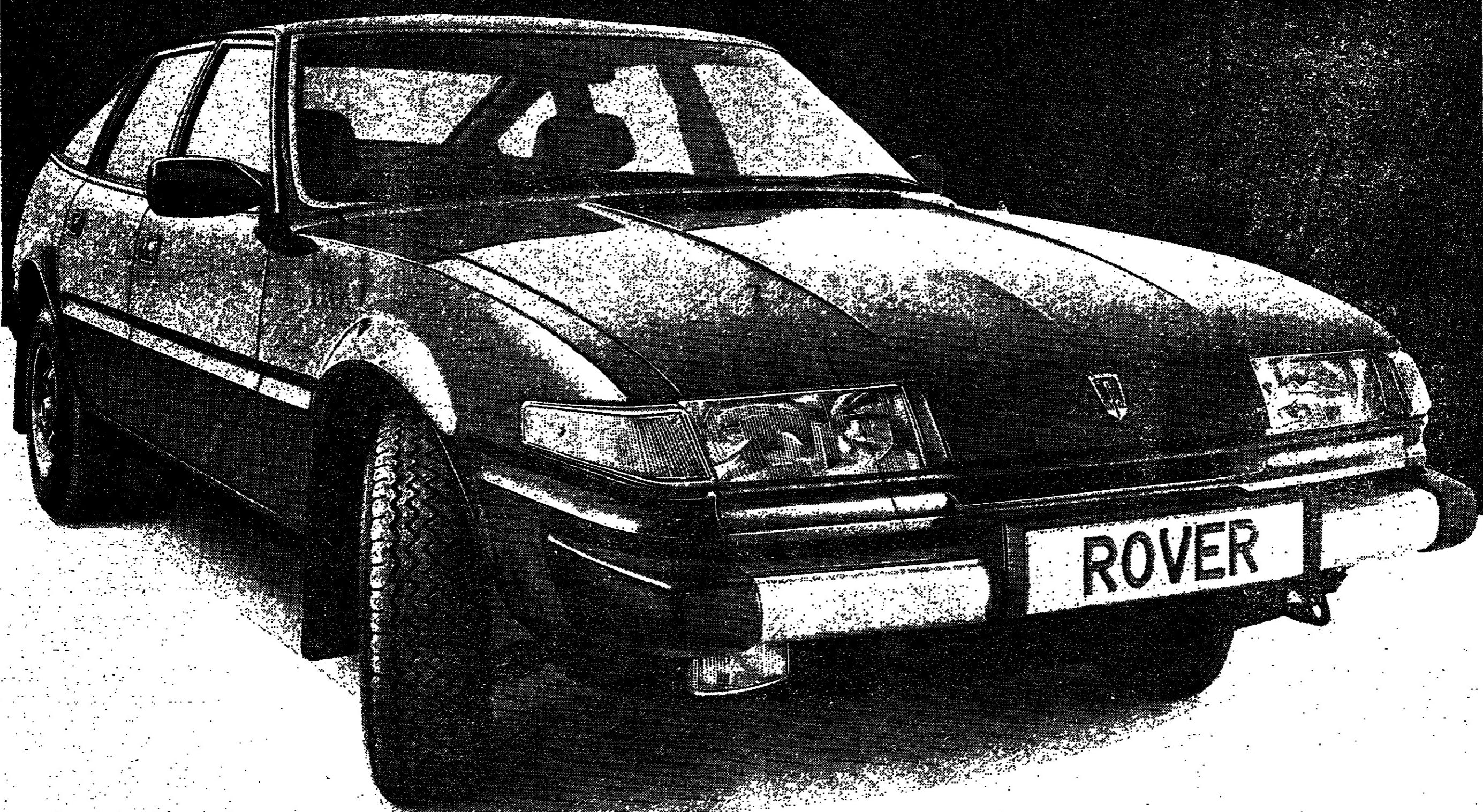
Agricultural exports, however,

showed a real increase, having risen by 29.2 per cent to \$233.9m in the first quarter of this year, with income from citrus exports up 44.5 per cent to \$138.1m.

The exhibition will cost £300,000, 60 per cent of which is provided by the EEC and 40 per cent by the Commonwealth Secretariat.

CHP 1100150

What do you have to do these days to get your hands on a new Rover?



Just pick up the phone.

The Rover range is the most praised and sought after in Britain. ('What Car?' has just named a Rover "Director's Car of the Year"). Until now that's meant you've had to wait a while to try one, let alone buy one.

At last we've managed to catch up with demand so your Rover dealer now has the full Rover range available in his showroom—the 2300, 2600 and 3500.

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All you have to do is call, and with the speed Rovers leave showrooms, the sooner the better.

You'll find your dealer's number in the Yellow Pages or you can make a reverse charge call to the Rover Sales Service on 01-903 6455, open 24 hours a day.*

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Rover Sales Service. Tel: 01-903 6455.

A phone call can make all the difference.

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UK NEWS

Key role for Butler in Tory NEB policy

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE TASK of implementing Conservative proposals to restrict the powers of the National Enterprise Board will fall on Mr. Adam Butler, Minister of State at the Department of Industry.

This became apparent yesterday when some main departments in the new Government announced the various roles allotted to ministers.

The importance attached to Trade, Mr. Norman Tebbit, has special responsibility for civil aviation, mining and shipping, tourism, hotels and travel, and the newspapers, film and publishing industries. Mr. Tebbit was a journalist and an airline pilot.

Energy post

Mr. Reginald Eyré, the other Under-Secretary at Trade, takes over supervision of companies and insurance, the Insolvency Services, the Patents Office and the distributive and service trades.

At the Department of Energy Mr. Hamish Gray, Minister of State, will be deputy to Mr. David Howell, the Energy Secretary. Mr. Gray will be especially concerned with offshore oil and gas and with the UK Continental Shelf operations as a whole, including the offshore supply industry.

Mr. Norman Lamont, Under-Secretary for Energy, will be concerned with the electricity supply industry, nuclear energy, distribution of gas and EEC energy matters.

The coal industry and energy conservation will come under Mr. John Moore, Under-Secretary. He will also work on alter-

native sources of energy, research and development and will assist Mr. Gray with the offshore supply industry.

At the Northern Ireland Office Mr. Humphrey Atkins, the Secretary of State, will oversee political and constitutional matters, security policy and operations. Other major policy issues — particularly public expenditure in the province — will be dealt with by him.

Mr. Michael Alison, Minister of State for Ulster, will take over prisons, police administration, compensation for criminal injuries and health and social security.

Mr. Hugh Rossi, the other Minister of State for Northern Ireland, will deal with finance manpower services and the civil service. Of the three other Ulster Under-Secretaries Mr. Philip Goodhart will have environment and education, Mr. Giles Shaw, commerce and agriculture, while Lord Elton will deal with education and be the House of Lords spokesman on Northern Ireland.

The talks, taking place on Saturday and Sunday near the town of Cahors, are likely to be held in secrecy. Lord Carrington is likely to be closely questioned, particularly on the new British government's policies towards Southern Africa and the European Monetary System.

He will meet Herr Hans-Dietrich Genscher, West German Foreign Minister, for the second time in two days. Herr Genscher is accompanying Herr Helmut Schmidt, the West German Chancellor, for talks in London today and tomorrow with Mrs. Thatcher and senior ministers.

Lord Carrington continued his work at the Foreign Office yesterday, with the allocation of area responsibilities among his Ministry team.

Mr. Ian Gilmore, the Lord Privy Seal, who will speak for Lord Carrington in the House of Commons, will be responsible for Europe, Africa and the Commonwealth. He will also, in Lord Carrington's absence, deputise for him at the main meetings of Common Market Foreign Ministers.

Mr. Douglas Hurd, one of the four Ministers of State at the Foreign Office, will be responsible for defence matters, the Middle East and the United Nations. Mr. Hurd is a dedicated pro-Marketeer but will have no formal responsibilities for Common Market questions.

Mr. Nicholas Ridley will be responsible for North, Central and South American and the Caribbean. He will share responsibility with Mr. Hurd for economic matters affecting the Foreign Office. Mr. Peter Blaikie will handle East-West relations, Asia, Australia and general Commonwealth affairs.

Although Mrs. Sally Oppen-

Government to give consumer interests higher priority

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

RENAMING of the Department of Trade to take account of its merger with the Department of Prices and Consumer Protection is being considered in Whitehall.

The new department would be called the Department of Trade and Consumer Affairs and its top civil servant is expected to be Sir Kenneth Clucas, who was previously Permanent Secretary at the now defunct Department of Prices.

The likely appointment of Sir Kenneth and the possible renaming of the department would ensure that the wider issues of consumer affairs and competition were given a high priority in the new Government.

Such issues include policy on monopolies, mergers, and restrictive trade practices as well as what to do with the Price Commission. The Conservatives' long-term policy for keeping prices in check is one of more effective competition rather than strict price control.

The renaming of the Department would also go some way

to reassuring the consumer organisations upset by the prospect of the consumer's voice being down-graded by the new government.

The Consumers' Association, which is financially and politically independent of the Government, welcomed the possibility that the department would be named to emphasise its consumer role. It pointed out that this would make it similar to the Canadian Department of Corporate and Consumer Affairs.

Although Mrs. Sally Oppen-

Ian Gow is Thatcher PPS

MRS. THATCHER has appointed Mr. Ian Gow, Conservative MP for Eastbourne, as her Parliamentary Private Secretary, it was announced from 10 Downing Street last night. The post, an unpaid one, usually leads to ministerial office.

Duties involve making sure the Prime Minister has with her all the documents necessary for question time or for speeches in the House and generally as an intermediary between her and Mps. Mr. Gow, a solicitor, is 42, has been MP since February 1974.

Why small is not beautiful for Monsanto's nylon

THE MAIN reason why the U.S.-based Monsanto plans to close its European nylon fibres operation, with a loss of 2,300 jobs, 1,500 in the UK, is that its business on this side of the Atlantic is too small to compete successfully.

The closure of the group's six European nylon plants is almost inevitable and not entirely unexpected. One plant is at Dundonald, Ayrshire; another at Cumnock, also in Scotland; two in County Durham; one at Echternach, Luxembourg; and one at Wittlich, West Germany.

The International Federation of Chemical, Energy and General Workers' Unions started condemning the expected closures before the

plans were finally announced yesterday.

The Transport and General Workers' Union, whose members will be hardest hit by the shutdown in the UK, is not

also likely to lose their jobs.

It added that it would give

plant was opened. Since then the overall operation has lost £31.5m and has been under constant scrutiny. Two-thirds of the loss was accounted for by the group's plants in Luxembourg and West Germany.

Although the group has

understood to have expected the federation's predictions to be fulfilled. Yesterday's announcement took it rather by surprise.

Monsanto said it would fully

fullest consideration to any proposal that might save the plants. It pointed out, however, that its study of the position of its nylon operation in Europe had been "pretty comprehensive."

The study had explored possible rescue methods.

The group itself said the "key factors" in its decision to pull out of nylon in Europe were its "unfavourable cost

found no long-term business approach to resolve the losses, its decision to cut 2,300 jobs in Europe is likely to surprise the Transport and General Workers' Union, whose members in the UK will be hardest hit by the closures.

Several attempts were made to halt the rising losses, including cost-reduction programmes, reconstruction of the marketing, sales and technical organisations and even minor investment. But yesterday, Mr. Eric Sharp, chairman of Monsanto's UK

competitive position and relatively small share of the European nylon market." It added that the nylon fibre market throughout Europe was suffering from overcapacity.

Monsanto first realised that its European nylon business was in difficulties in 1975, 10 years after it opened its plant at Dundonald. In that time the entire operation has suffered losses of \$63m (£31.5m) and has been under constant scrutiny.

The two continental plants accounted for more than two thirds of the total loss during the period. Pre-tax losses on the UK operations were £5.928m.

Several attempts were made to halt the rising losses, including cost-reduction programmes, reconstruction of the marketing, sales and technical organisations and even minor investment. But yesterday, Mr. Eric Sharp, chairman of Monsanto's UK

subsidiary, admitted that all those efforts had failed. He added that there seemed to be no "visible, long-term business approach to solving this very difficult problem."

Perhaps the nub of the difficulty is that Monsanto has only 4 per cent of the West European nylon market and its fibre-producing plants at Dundonald and in Luxembourg have annual capacities of only 16,300 tonnes.

(The other four plants are for

texturising or for fibre processing.)

The group ranks ninth among European main producers, which include the Dutch-based Akzo, the French-based Rhône-Poulenc, the German-based Bayer, the Italian-based Montefibre, and the UK's Imperial

Chemical Industries. It admits it is "a poor ninth."

Monsanto produces nylon 6 as well as nylon 6. As far as the consumer is concerned there is little difference between the products but production of nylon 6 can be economically viable with a smaller plant than can nylon 6.

Fibre producers estimate that a nylon 6 plant needs an annual capacity about 50,000 tonnes to be economically viable, whereas a nylon 6 plant might be as small as 20,000 tonnes and still profitable.

Those estimates are rough and ready, but, even allowing for a hefty margin of error, Monsanto's two European producing plants are clearly too small.

Kennedy calls for U.K. move on Ulster power-sharing

BY OUR BELFAST CORRESPONDENT

U.S. SENATOR Edward Kennedy has called on Britain to consider withdrawing the constitutional guarantee that Ulster will remain in the United Kingdom, unless the majority Protestant community agrees to some form of power-sharing government.

Senator Kennedy said that simply resting on the present declared position had failed to produce or generate any alternative.

In an interview published yesterday in the Belfast Telegraph, but given before the General Election, he said he and other Irish-American politicians, including Senator Tip O'Neill, the Speaker of the House of Representatives, were looking for an initiative from a new British Government.

This would have to create conditions in which the Ulster parties had to decide the issue for themselves, he said.

"I would certainly welcome power-sharing in the North as

part of any future solution."

Unless there was going to be a willingness from Protestants to move towards shared government, the shape of which had to be determined within Ulster itself — he hoped Britain would consider withdrawing the constitutional guarantee.

Evolution

The Senator, who favours the long-term reunification of Ireland, described as constructive and positive recent proposals on a federal Ireland solution put forward by Dr. Garret Fitzgerald, leader of the Fine Gael opposition party in the Republic.

"I am very mindful of the fact that there is increasing evidence that the North has increasing economic interests with the South, as a result of EEC actions and others," said Senator Kennedy.

The EC had opened up new opportunities for economic co-

British Rail seeks daily train speed records

By Our Transport Correspondent

BRITISH RAIL plans to set a European record for regular daily trains when its new timetable comes into operation on Monday.

The 8 am service from King's Cross to Berwick and the 9.05 am, King's Cross to Harrogate, are both timed to average 108.25 mph between stops.

The new timetable brings full introduction of the Inter-City 125 service to the East coast main line and provides for improved trans-Pennine services and some new routes involving the Midlands and Wales.

Crockford move

Crockford's Club, in St James's, London, yesterday applied for "clarification" of its licence to allow the serving of intoxicating liquor in a room where games of equal chance take place.

The Board of the Green Cloth, which bears the application in Buckingham Palace, deferred a decision until Crockford's could tell if the usual practice in South Westminster where most London casinos are situated.

Hoover dismissals

Another 218 redundancies have been decided at Hoover's washing machine factory in Merthyr Tydfil, South Wales, as part of the company's cost-cutting rationalisation programme. The number of jobs lost there over the past six months now totals 500, reducing the workforce at Wales's largest private manufacturing plant to 4,700.

Rebuilding cost

The cost of rebuilding a house or bungalow rose by 8.5 per cent in the eight months to the end of March, according to figures released by the British Insurance Association. It said that if the cost of rebuilding a house last July was £25,000, it would now exceed £27,000.

Second vote sought

Commercial ratepayers should have greater control over local government spending through a second vote at local elections, the National Chamber of Trade says.

A motion calling for "no taxation without representation" was carried overwhelmingly at the end of its three-day conference in Bournemouth, attended by 400 delegates.

Industrial tour

Thirty industrialists from the South-East began a two-day tour of South Yorkshire and South Humberside yesterday to look at factory sites, commercial centres and public and private housing sites. The tour, which starts in Doncaster, is one of a series organised by the Yorkshire and Humberside Development Association.

More immigrants

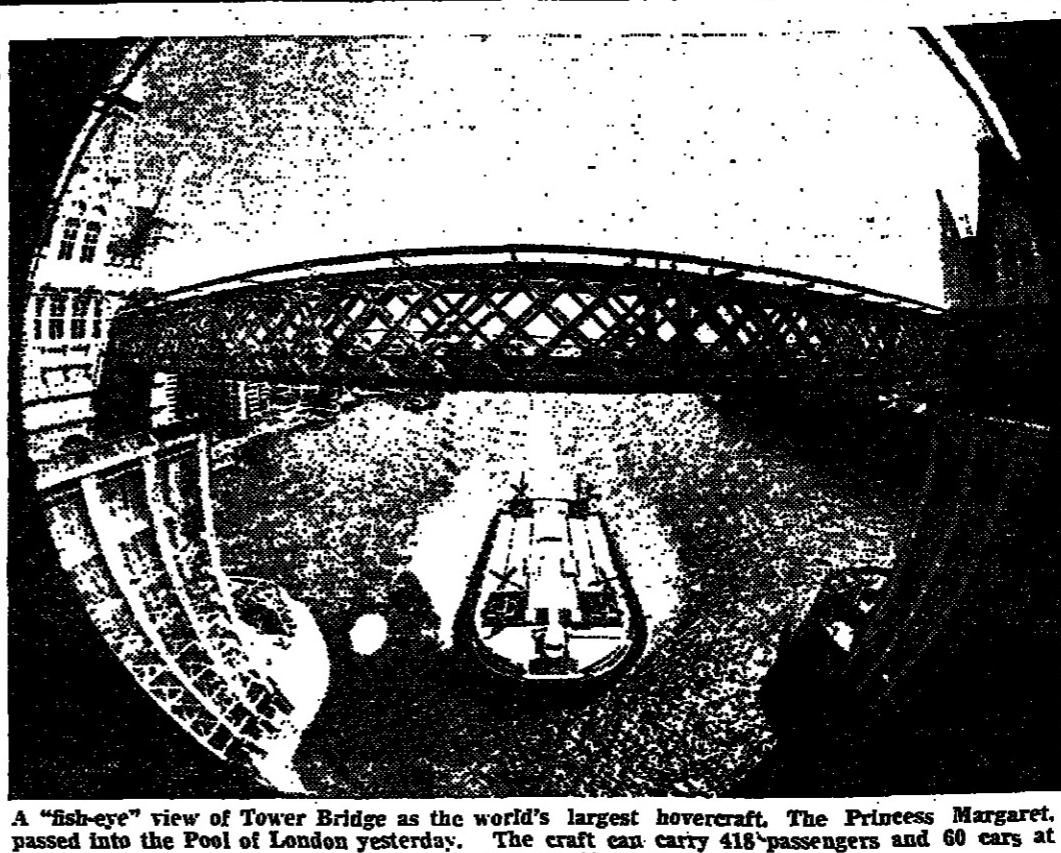
The number of immigrants to Britain in the period July to September 1978, exceeded emigrants for the first time in two years, according to the latest figures published by the Office of Population Censuses and Surveys. Altogether 71,100 entered and 68,600 emigrated, a net gain of 2,500, compared with a net loss of 10,500 in the corresponding 1977 quarter.

Case against prisons

No additional resources should be devoted to the UK prison system and prison building should be stopped, two senior criminologists said yesterday in evidence to the prison inquiry, chaired by Mr. Justice May. Mr. Rodney Morsan, of Bath University, and Mr. Roy King, of Southampton University, said that the proportion of new prison buildings compared very well with the provision of hospitals and lagged only just behind the school building programme.

Simply an outstanding whisky.

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Britain to stress goodwill to EEC

By David Marsh

LORD CARRINGTON, the Foreign Secretary, will meet his counterparts from EEC countries at an informal meeting of Common Market Foreign Ministers at Chateau Mercure in the south of France this weekend.

The talks are part of regular series of sessions which allow Foreign Ministers to meet informally without a fixed agenda.

Lord Carrington has good contacts with ministers of several EEC countries from his previous experience in office. He is likely to use the meeting to confirm that the Conservative Government will adopt a more positive attitude to the EEC than its predecessor. This early impression has already been welcomed in European capitals.

The talks, taking place on Saturday and Sunday near the town of Cahors, are likely to be held in secrecy. Lord Carrington is likely to be closely questioned, particularly on the new British government's policies towards Southern Africa and the European Monetary System.

He will meet Herr Hans-Dietrich Genscher, West German Foreign Minister, for the second time in two days. Herr Genscher is accompanying Herr Helmut Schmidt, the West German Chancellor, for talks in London today and tomorrow with Mrs. Thatcher and senior ministers.

Lord Carrington continued his work at the Foreign Office yesterday, with the allocation of area responsibilities among his Ministry team.

Mr. Alan Tame, Seaspeed's marketing director, said he was confident that this year the company would move into profit after a £2.2m loss last year, when many holidaymakers were forced to transfer at the last minute to conventional ferries.

Seaspeed's objective is to cut the number of days out of service for weather or mechanical reasons to less than 5 per cent, compared with 30 per cent last year, when many holidaymakers were forced to transfer at the last minute to conventional ferries.

The super-4 has shown in recent tests that it is able to operate in force eight winds

and four-metre waves, compared with 2.5 metres for the super-4.

Most of these problems concern the French-built N500 hovercraft, which is still experiencing technical difficulties and which will be used only for off-peak services this summer.

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UK NEWS

CH Dico 150

Now Tories seek victory in European elections

BY MAURICE SAMUELSON

OFFICIALS OF the three main British political parties are preparing to campaign for the direct elections to the European Parliament on June 7.

The Conservatives hope their General Election success will be repeated. They are revising their earlier prediction of winning 51 of the 81 seats allocated to Britain and Northern Ireland.

Labour is hoping for a reaction against the Tory victory in favour of its more critical attitude towards Brussels. The Liberals, the most consistently pro-EEC of the three main parties, will be running as "European Liberals and Democrats." They hope their credibility will be enhanced by being associated with parties which wield real power on the Continent. All

their election material is being printed in Brussels.

The Liberals were quickest from the starting line with Tuesday night's fireworks-party at the National Liberal Club. Their serious campaigning starts on Saturday with a rally in Manchester, addressed by EEC Commissioner Guido Brunner. They are also hoping to bring over M. Gaston Thorn, the Luxembourg Premier. Liberal candidates include Mr. Russell Johnson, MP, Lord Gladwyn and Lady Sear. Mr. Christopher Mayhew, former Labour minister, will stand for the Liberals in Surrey.

The Conservatives are pacing themselves more slowly. Both the Liberal and Labour manifestos have been available for some time. But the Tory document will not be launched until

the weekend after next. They will concentrate their campaign into the fortnight before June 6 (35th anniversary of the allied invasion of Europe!).

The Labour Party was less willing to discuss its campaign plans as they were still being discussed yesterday by a panel of the national executive committee.

Unlike the Conservatives or Liberals, Labour has not allowed any of its Westminster MPs to stand. This was decided by the NEC and, as well as reflecting Labour's more reserved attitude towards Europe it also looks like a hangover from the Labour Government's precarious position in the last Parliament.

The Scottish and Welsh Nationalists and Northern Ireland Parties are also preparing for the fray as are a varied

Household removal costs criticised

By David Churchill,
Consumer Affairs Correspondent

HOUSEHOLDERS were advised yesterday to think twice before moving house because of the high cost of legal fees and other expenses.

The advice comes from the Consumers' Association in the latest issue of its Which? magazine. Which? says that based on a sample survey of more than 5,000 readers, the typical cost of moving house is about £1,750 before taking into account new carpets, curtains or other decorating costs.

These costs were based on the sale of a £23,000 house and purchase of a £28,000 one.

Which? suggests that householders should "think twice before you move—unless, of course, you can persuade your employers to pay the costs."

It also says they should consider extending or improving their present home as an alternative.

The magazine says the chances of a house purchase failing through after making an offer are quite high. Over a third of the offers our readers made (and which had been accepted) failed to result in a completed purchase. Which? suggests that part of the problem is the number of weeks which normally elapse between acceptance of an offer and exchange of contracts.

The magazine is critical of all the bodies connected with house-moving.

Directors' Institute picks Goldsmith as new chief

By LISA WOOD

THE INSTITUTE of Directors yesterday appointed Mr. Walter Goldsmith, corporate vice-president of Black and Decker, as its new director general.

British-born Mr. Goldsmith, aged 41, takes up his appointment in July, succeeding Mr. Jan Hildreth, who left the institute last Christmas. Mr. Hildreth left suddenly after a disagreement caused by restructuring at the institute. He said it had meant that he lost the job he had been carrying out for the previous four years.

During the 1970s Mr. Goldsmith has been responsible for expanding Black and Decker operations throughout Europe, the Middle and Far East, Africa and Latin America, and he has formed 21 new companies in those areas.

financial settlement was made between Mr. Hildreth and the institute.

The new director general introduced Black and Decker's portable workbench, "The Workmate," to the UK market.

He joined Black and Decker in the UK in 1966 as director of audit. Seven years later he became managing director.

In 1976 he left Britain to join the U.S. parent company, where he became corporate vice-president and president of Pacific international operations.

The institute said yesterday:

"Mr. Goldsmith said from Los Angeles: "I am greatly excited by the challenge of leading the IOD into the 1980s. The institute has a responsibility to speak out aggressively on behalf of the business leadership of the nation."

European pictures go for £728,480

THERE was a mixed reaction to Sotheby's sale of 19th century European pictures yesterday. The two paintings with the top estimates, a portrait by Waldmüller and another by Bastida, failed to get bids near their £40,000-£60,000 forecasts.

The highest price was the £18,000 for a Market in a Bavarian Town by Karl Stuhlmüller, and Skaters on a Frozen River by Andreas Scheffel.

SALEROM

BY ANTHONY THORNCROFT

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Welsh agency's £40,000 aid for instrument makers

FINANCIAL TIMES REPORTER

THE WELSH Development Agency, Wales's equivalent of the National Enterprise Board, is to invest £40,000 in the Union Gauge Company of Wrexham, a new venture which has developed a small and inexpensive pressure gauge.

The agency's investment, in shares and a loan, is to help Union Gauge to fill the gap in the market left by Barnet Instruments, which has since been filled by foreign manufacturers.

Cold cures usually contain stimulant drugs and travel sickness remedies often include anti-histamines," he said.

Drugs could slow reaction times, affect co-ordination, or cause fatigue.

gauges in Wrexham.

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Skilled instrument makers

who previously worked for

Barnet Instruments, which

until it was put into receivership in 1977, also made pressure

MPs' conduct 'worries public'

BY JOHN HUNT

MR. GEORGE THOMAS, who was yesterday elected Speaker of the new House of Commons, had a word of caution for MPs about their conduct now that House proceedings are broadcast.

"Our conduct has a great bearing on the respect which the public has for Parliament," he said. "The fact that we are from time to time a noisy

assembly worries the public much more than is generally believed by the House."

Nevertheless, he added, it was right that there should be a lively and vibrant Parliament.

In his opinion, the Commons had grown in stature and significance and was seen right across the world as the true bastion of democracy.

Mr. Thomas, who is the member for Cardiff West, was

elected Speaker in February 1976 and served in the office for more than three years before

the General Election.

Paying tribute to the Speaker Mr. John Parker (Lab., Dagenham), aged 72, the new Father of the House, said the quality of members was higher than before the war.

Mr. Parker, who has been an MP since 1935, said there were now far more backbenchers

competent to speak on specialist subjects.

There were cheers from the House for Mrs. Thatcher, when she rose to pay her tribute.

From the Opposition front bench Mr. Callaghan promised that Labour would take a constructive but sometimes passionate approach when the new Parliament gets down to business after the State Opening next Tuesday.

Insured household theft losses increase by 25%

BY ERIC SHORT

Thefts from private households in the UK are now averaging more than £100,000 a day according to Mr. Pat Bartram, chairman of the British Insurance Association Crime Prevention Panel.

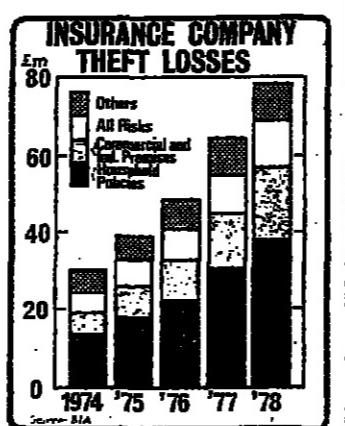
He was commenting on the losses caused in Britain for 1978, details of which were issued yesterday by the BIA. These showed that insured theft losses from private homes rose by 25 per cent last year from £30.3m to £37.9m. The association

pointed out that though this rise was lower than in 1977, when it jumped 35 per cent, it still represented an increase at more than twice the rate of inflation.

Total insured losses from all categories of theft jumped by nearly 22 per cent last year from £64.2m to £78.2m. Losses from commercial and industrial premises were nearly one quarter higher at £18.5m, while losses on all risks policies increased in thefts covered

under money policies and from goods in transit showed very low rises of around 5 per cent to 4.5m and 5.6m respectively.

Mr. Bartram welcomed improvements in security in a number of high risk businesses; but losses in the commercial sector were still substantial and criminals were increasingly turning their attention to smaller shops, factories and offices. He emphasised that businessmen and householders should become more aware of the importance of proper security.



Five Dollar note

The United States and West Germany are leading countries in world trade and it stands to reason that any dialogue between them would concern itself, to a large extent, with financial matters.

The Deutsche Bank, whose international business experience dates back over 100 years, is Germany's largest bank and one of the world's leading banking institutions. Its strength lies in that experience, an extensive branch system in the German home market and its international network of opera-

tions in 49 countries throughout the world. The Deutsche Bank would like to open a dialogue with you. About your financial problems—national and international. You can contact us in one of the world's foremost financial centers: New York.

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Let's put our heads together.



Deutsche Bank

UK NEWS — LABOUR

TUC chiefs modify Budget proposals

By Nick Garnett, Labour Staff

THE TUC economic committee made minor modifications yesterday to its recommendations for the Budget. It is seeking a meeting with Sir Geoffrey Howe, Chancellor of the Exchequer, to submit the proposals.

The recommendations are similar to those included in the economic review submitted to the previous Chancellor in anticipation of a Labour Budget.

Now the committee is emphasising aspects of the proposals in the light of Conservative policies on taxation and industry.

Thresholds

The TUC is seeking increased tax thresholds and the removal of low-paid groups from the tax net. It is particularly concerned about the Government's intention to switch some direct taxes to VAT.

The TUC hopes to maintain discussions with the Government on issues such as import penetration, public expenditure and industrial strategy.

It will tell the Chancellor, however, that selling off profitable sections of state industry will not help to alter the tax structure.

More building workers turn down 12% deal

By NICK GARNETT, LABOUR STAFF

CONSTRUCTION unions have effectively rejected a 12 per cent pay offer to 700,000 building and civil engineering workers.

A special conference of regional chairmen and shop stewards in the Union of Construction Allied Trades and Technicians decided yesterday that the offer was unacceptable and instructed the executive to seek improvements.

Members of the Transport and General Workers' Union's national construction and building craft committees have already rejected the proposals.

The Furniture Timber and Allied Trades' Union will almost certainly adopt the same position when the industry's joint-union side meets next week.

Stricter criteria for holiday entitlement and overtime pay, included in the pay package in an attempt to reduce absenteeism, are reasons why the unions have found the offer unacceptable.

The employers are almost certain to modify these in negotiations with the joint-union side scheduled for next Friday.

Lay members of the TGWU and UCATT have indicated clearly, however, that they are seeking far greater pay consolidation, including that of the guaranteed minimum bonus. The UCATT delegates informed their executives that there is

not enough new money in the proposals.

The employers have said the offer was final and although they will be prepared to move on the productivity clauses any offer of further new money would be very modest.

The proposals have been estimated by employers to be worth 13 to 14 per cent, if wage drift and improved travel allowances are taken into account.

They would raise national minimum earnings for craftsmen to £67 a week and for labourers to £57.20. These include new basic rates of £51.40 and £43.80 respectively, together with part of the present joint board supplement and bonus payments.

ICI pay offer 'unacceptable'

BY OUR LABOUR STAFF

UNION NEGOTIATORS have rejected a new pay offer made to Imperial Chemical Industries' 50,000 manual workforce. Next talks will take place next month.

Mr. David Warburton, the General and Municipal Workers' Union national officer for chemicals, said the package did not restructure differentials in an acceptable way. There were not enough improvements on

basic wage rates and other pay, including call-out and disturbance allowances.

The company has been attempting to change its wage structure to resolve differential problems and end a shortage of scientific and technical workers.

There has been considerable disagreement between general and craft unions on how the differentials should be altered.

The company's original proposals involved a rise on the total wage bill of about 15 per cent. Mr. Warburton said the new offer included only marginal improvements.

The offer included new money ranging from £5 a week for the lowest grade up to £12 for the top grade, with higher consolidation and some improvements on shift pay and allowances.

Most of us spend most of our lives producing things which we cannot afford to buy."

The company said that negotiations had not yet started on the unions' 17-point wage claim, which includes demands for better sick pay, redundancy and maternity payments.

Company cars, it said, were part of the total remuneration for senior management. Individuals were taxed on the benefit and contributed about £35 a month towards an Alpine.

Shop stewards base their demand for an across-the-board pay rise of £20 a week upon comparable earnings in the Coventry engineering industry.

The claim has still to be approved by a workers' meeting. An award would be implemented after July 1.

Production at the Austin-Morris assembly plant at Cowley is threatened because drivers employed by Cartransport, who deliver a third of the factory's cars, are on strike over a pay claim.

The drivers have rejected what the management described as a 25 per cent increase. They are among the highest paid workers in the Oxford area, regularly grossing more than £150 a week.

Austin-Morris says the strike is not yet affecting it, but that

the company's original proposal was defeated only narrowly in the conference.

The society also instructed its executive to insist, if it agreed to continue its staff side membership, that the staff side chairman should be appointed on the basis of ability rather than on

negotiations between the unions and the Labour Government.

Delegates at the annual conference in Brighton of the Society, Britain's second-largest Civil Service union, drew attention to the new Government's election campaign pledges to "avoid the abuses" of the closed shop.

Mr. Roger Grashy, of the

Advisory Conciliation and Arbitration Service branch, said that the TUC guidelines issued at the time of the TUC-Labour concordat, and the return of a Conservative Government showed that greater flexibility was emerging on the closed shop issue.

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Very few white collar unions were now pressing for a closed shop.

The 800 delegates were told that the 18,000 staff in grades represented by the society who were not members of the union represented a loss in potential subscriptions.

The report proposed increased involvement of lay officials at meetings of the National Whitley Council staff side, and giving individual unions power to veto staff-side proposals, but a call

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THE ARTS

Churchill, Bromley

The Complaisant Lover

by B. A. YOUNG

Graham Greene's sudden, brilliant invasion of the theatre between 1953 and 1959 was a remarkable thing. His apparently complete grasp of stage techniques in *The Living Room*, *The Potting Shed* and *The Complaisant Lover* amazed and delighted old hands like Rattigan (though it is explained away in the preface he wrote to their published edition, in Heinemann's Mercury Books, by the pleasure he took in working with producers, designers, directors and actors). With *Corning a Statue* in 1964, the bubble burst; few people liked it. Greene did not enjoy working on it, and the invasion was over.

It amazes me, though, that the first three are not constantly revived. The Churchill's production of *The Complaisant Lover* is, as far as I know, the first since it was originally seen at the Globe in 1959, with Ralph Richardson and Paul Scofield in the company. It is well worth reviving.

Basically, the play is an eternal triangle story. (So is *The Heart of the Matter*, so is *The Quiet American*.) Mary Rhodes, married for 16 years to Victor, her amiable but boring dentist husband, falls in love with Clive Root, a younger man recently arrived in the neighbourhood. They go together for a brief holiday in Amsterdam, but she can't give way to Clive's entreaties to leave her husband, for her sexual love for him conflicts with her domestic love for her home and her children, Sally and Robin. (I would gladly have sacrificed Robin; Christopher Johnson plays him nicely, but his habit of yelling constantly for his mother from



Janet Suzman (right) with Skip Martin and Jill Sparrier

Birmingham Rep

The Duchess of Malfi

"Brilliant but messy" is what a schoolmaster might have written in John Webster's end of term report on this play. The best productions in recent years

-Peter Gill's at the Royal Court and Philip Prowse's at the Glasgow Citizens - have, in their different ways, solved the problem by striking to the heart of the poetry with design solutions. Keith Hack is more prepared to give the piece its head, and he pays the price.

Inevitable cuts lead, inevitably, to disappointments. Here, the Cardinal is deprived of his latter scenes with Julia, thus robbing the play of its "final intelligence". Bosola, of his lustful cadenza; the Duchess, in spawning only one child by Antonio (whose "bonds remind us that much of Jacobean tragedy echoed itself and Shakespeare"), impairs both the conclusion and her own crucial claims to fertility; Antonio, without his opening praise for the "fix'd order" of the French court, is rendered even more faceless.

Most impressive in Janet Suzman's confined (in both senses of the word) Duchess is her sheer vocal intelligence, a commanding performance.

graduated from coquettish upper register to blood-curdling mezzo, and her clear-eyed conviction that rank in society has nothing to do with passion or Christian humility. She is assailed by a pair of unreasonably jealous brothers: one, the Cardinal (played with Borgia-style bravura by Peter Eyre) is a debauched hypocrite; the other, Ferdinand, a depraved lycanthropic lunatic whose impetuosity is governed more by incestuous raving than by material ambition. Ian McDiarmid gives the sort of outrageously audience-baiting performance we used to expect in Keith Hack's productions (remember Barry Ingham as the Duke in Hack's barbarically Gothic *RSC Measure for Measure*), plotting Ferdinand's wolf-man personality from his first, aggressively unsettling appearance.

Again, one would have expected Mr. Hack to go to town on the apparition scenes and the wonderful echo interlude, where the Duchess's voice trails the poetry in the abbey ruins. But the staging is pedantic, restricted to the odd Gothic gesture that puts one in mind of Terry Hands on an off day. Voyer's design is no help, providing a cumbersome wooden cupboard through which personnel may come and go and one long wooden table forlornly adorned with candles and crucifix. A dwarf plays one of the lords, which may signify something although I am at a loss to explain precisely what, and the majority of the supporting cast is terrible.

MICHAEL COVENY

Festival Hall

Bishop-Kovacevich/Davis

Stephen Bishop-Kovacevich is a pianist of carefully measured, steadily growing achievement. Each addition to his concerto repertory is thoroughly considered, every interpretative problem precisely worked out. His musical approach is likewise straightforward. His playing does not provide immediate frissons - no vertiginous technical feats, moments of magical introspection, or protean expressive nuances - instead its virtues are wholesome and dependable, solidly musical.

So on Tuesday evening he began Brahms' Piano Concerto No. 2 in a direct, unfussy way: a fastish tempo, little cosmetic rubato, simply allowing the tension to build naturally through the opening exchanges.

as musical argument and technical demand become progressively more elaborate.

The total effect became one of a profoundly difficult musical statement, an approach that was most suited to the naturally symphonic first movement of the Brahms. Elsewhere a scherzo that so firmly accented the first beat of each bar mistook rhythmic consistency for rhythmic vitality; a slow movement so conspicuously lacking a beguiling mezzo voce piano tone could very easily lapse into the matter-of-fact. But in the finale, encouraged no doubt by the sharp characterisation of the LSO under Colin Davis, Bishop-Kovacevich suddenly discovered a lift. It was a view of the movement curiously out of joint

ANDREW CLEMENTS

Prince Edward/Albery

Evita/Oliver! by ANTHONY THORNCROFT

Elaine Paige, who, as Evita, carries one of the most taxing roles currently on the London stage, is taking the rest of May as a holiday, and handing over the burden of portraying Eva Peron to Marti Webb. In June the two actresses will share the part, although Elaine Paige will appear six times a week to Marti Webb's two performances.

On Monday Marti Webb made her debut, and there need be no doubts about her competence in this demanding role, which requires an actress with a powerful voice, dancing skills, and a personality strong enough to convince that a nation adored itself before a small town tart.

If anything she is tougher than Elaine Paige and also manages a closer physical resemblance to Eva Peron. This is a slightly

more abrasive performance but, as with Gary Bonds who replaced David Essex, the general aim is to maintain Harold Prince's remarkable production intact, giving small scope for individual initiative. On another viewing the music seems more dramatic, the lighting and staging more powerful. It is interesting to register the response of the audience - shock and silence for the first 40 minutes as it comes to terms with this stark and imaginative design, and then a happy surrender to the music and the story, which still seems to end on rather too dead a note.

* * * * *

Evita still has a long way to go to catch up Oliver! in terms of theatrical performance. Lionel Bart's most successful

musical is now well into the second year of its revival at the Albery and last week Roy Dotrice joined the long list of Fagins who have corrupted boys in the nicest possible way. Not surprisingly Dotrice plays Fagin as a Jewish John Aubrey, all grotesque make-up and gefilte fish sandwiches. He still seems to be feeling his way into the part and the ad libs will probably flow more freely in time. He is a sympathetic character in a production which wears surprisingly well. Oliver! would have a better critical reputation if the very real dramatic themes had been stressed at the expense of the kids stuff - but then it would never have become a coach party favourite.

ANDREW CLEMENTS

Music at Grays

The weekly series of lunchtime concerts of early music at Grays, the antique market in Mayfair, got off to a happy start yesterday with a recital by the countertenor Alfred Deller with Robert Spencer playing a 16th century lute. It was an unashamedly popular bill ranging from 'Full Fathom Five' through Dowland ayres to a conclusion of some more Shakespeare songs.

The attractions are the length of the performances, around 35 minutes, the intimacy of the room, and the good acoustics.

Bursaries for composers

The Arts Council's third series of bursaries for composers include one bursary of £5,000 to Miss Privaly Rainier and 16 bursaries of between £1,500 and £3,000.

The selection jury was Nigel Osborne (chairman), John Carewe and Hugo Cole.

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ANDREW CLEMENTS

WE, THE LIMBLED, LOOK TO YOU FOR HELP

Welcome from both world wars, we come from Kenya, Malaya, Aden, Cyprus... and from Ulster. From keeping the peace no less than from war we limbled look to you for help.

And you can help, by helping our Association. BLESMA (the British Limbless Ex-Service Men's Association) looks after the limbless men of all the Services. It helps with medical encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity.

Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.



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One week from today, computing history enters a new era

In business systems, transaction processing, simulation, data communications and scientific computing a major new dimension will emerge.

PERKIN-ELMER
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The new big name in computers.

Contact Jane Berry on Slough 34511 for further information. Perkin-Elmer Data Systems Ltd., 227, Bath Road, Slough, Berks.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

• COMMUNICATIONS

Spreads messages far and wide

PROBLEMS OF getting information to key staff in a big company seem to become more complex as the messages become more urgent.

To help solve the problem, a new type of telex has been put together by Datapod to provide new solutions.

This UK company has developed "Minitell-X" to give secure, simple, speedy and inexpensive communications between any two or more points: the ordinary GPO telephone line provides the link, it can be arranged so that the telephone does not ring if data only is to be passed. Thus an unattended telephone can be accessed.

Managers who need to communicate with a group of people across a company should find this unit a boon. A question

into their offices when they get home; both will have hard copy proof of delivery on a fast silent printer.

This equipment may also be used as a low-cost input terminal with an alternative "suitcase" housed version for portable use. Thus engineers or insurance consultants, etc., may access data for instant on site computation. Using an ordinary black and white TV, messages are also laid out or received on the screen allowing even the most unskilled "one-finger typist" to produce professional quality results.

Area managers may leave messages for their salesmen, who in turn can send orders

may be asked and despatched, to many different locations, in a matter of minutes; even if nobody is there the sender knows it will await the recipient's return. Similarly the answer comes back, even if the manager is out. Speed of transmission makes line costs less than that of a postage stamp, yet there is minimum delay, allowing a high standard of responsive action to the problem facing the manager.

No expensive wiring or complicated installation work is needed and the equipment can be upgraded to do simple calculations and hold information in a solid-state, floppy disc or cassette memory.

A message of 100 words takes only seconds to transmit, and thus costs next to nothing to send even at peak-times over the telephone. A paper copy of the message can be retained for reference.

Datapod, GMS House, Boundary Road, Woking, Surrey GU21 5BX, Woking (0482) 69242.

• MATERIALS

Cuts the caulking

LINK SEALS for supporting pipes where they pass through sleeves or wall apertures, eliminating the need for caulking or mastics have been introduced by Termain, Stockwell House, Hinckley, Leics. LE10 1RW (0455 32087).

This arrangement could be eliminated by taking advantage of the sliding contact offered by a fluidised metallic bed used to form the connection to the electrode together with a separate, offload, fluidised-bed switch which isolates the electrodes during furnace tilting.

NRDC, Computers Systems and Electronics Group, Kingsgate House, 66, Victoria Street, London SW1E 8SL. 01 528 3400.

• HYGIENE

Cleans the hands

A HAND cleaner claimed to have distinct advantage over those already on the market is being offered by Tracehome, Hastings Road, Crowhurst, East Sussex (0424 88 70).

The product can be used without water and it is not necessary to wash the hands after using it. It contains lanolin and is an off-white cream which will remove paint, grease, ink and many other types of contaminant and leave the skin soft.

Called No-Trace, the cleaner is supplied in 8 lb containers with a dispensing unit. Free trials are offered.

Absorbs the microwaves

APPLIED TO walls or wrapped around antenna pedestals and other objects to reduce reflectivity, is a lightweight, weather-proof, fuel-proof flexible foam for use as a microwave absorber, introduced by Emerson and Cuming (UK), Colville Road, Acton, London W3 (01-922 6692).

Called Eccoisor AN-P, it can

also be used indoors in micro-wave chambers, and is said to be useful in airborne and space applications in radar nacelles, on bulkheads, and even on exposed surfaces to reduce reflections back into a transmitting antenna.

On ships it can be applied to masts to prevent magnetron detuning or merely to reduce reflection.

Standard sheets are two feet square but larger pieces are available. The absorber conforms well to compound curved surfaces and can be bonded to metal surfaces. It can be cut readily with an electric household carving knife or scissors. Cut edges need only be sealed when direct exposure to liquids is anticipated.

Cushioning violent vibration

ELF AQUITAINNE NORGE AS, the operator responsible for all developments and installations in the Frigg gas field, has developed a method of solving a particularly thorny problem connected with offshore flare platforms.

Such platforms are necessary to burn off gas under certain working and emergency conditions, but are subject to tremendous vibratory stresses when this is actually done.

Eif sponsored research to examine how gas pressure could be reduced before flaring and the system subsequently developed has been operated successfully on several platforms in the field.

Liquid Control of the UK was given the particularly difficult task of dispensing ten tonnes of silicone elastomer in precisely controlled operations. This had to be pumped, proportioned, mixed and dispensed into the gap between the vertical central gas pipe and an outer casing in the flare structures.

A certain amount of elastomer was also pumped down to the seabed where it encased a manifold connection between the pipe to the gas field and the pipe to the sea surface. This manifold changes the direction of gas flow and effectively reduces its pressure. The elastomer fills the gap between manifold and pipe and an outer casing.

This method of coping with vibration has proved successful and the pipe assembly has been able to absorb the shock of gas decompressing on reaching the surface from great depths at which it is subjected to 200-300 atmospheres. On reaching the seabed connection, the gas is travelling at the speed of sound.

The elastic properties of the Rhone Poulen compound effectively cushion the resultant shock waves through the pipe, preventing fracture, and possible serious damage to the flare platform itself.

Liquid Control, 28 Harcourt Street, Kettering, Northants NN16 ORR (0536) 81491/2.

Roof repels moisture

DEVELOPED IN Germany, where it has been used extensively for 13 years, Tekurat roofing insulation material is

now being made available in the UK by Evode Roofing, Common Road, Stafford ST16 3EH (0785 45121).

Use of this material on Coop & Company's clothing factory at Wigan, says the company, has enabled a problem flat roof to be successfully repaired, despite the fact that the environmental conditions had rapidly degraded the previous flat roof within two years, soaking the existing insulation material until it was too wet to be effective.

Despite continuing harsh conditions due to the activities in the building beneath (particularly in the trouser pressing room where high temperature and humidity levels had caused deterioration and blistering of the conventionally insulated roof surface) tests on the roof have shown that, one year following re-roofing with Tekurat, the whole roof is still completely dry.

This material promises a satisfactory solution to the problem of entrapped moisture in flat roofs, says the company.

It is a composite, over-deck insulation material with particular thermal properties and comprises an upper layer of high quality roofing felt, a core of rigid polyurethane foam insulation, and a profiled aluminium-faced "respiration zone" which consists of a series of interconnected 5 mm deep pressure equalisation channels on the material's underside connected to the atmosphere, either at the eaves or by means of vents, so that moisture vapour migrating to and within the roof escapes to the air without loss of thermal efficiency instead of being trapped.

• COMPONENTS

Controlled tension

CONTROL equipment that can be used with almost any DC drive system has been introduced by Shackleton System Drives to ensure constant (or other pre-determined) tensioning in the winding of paper, plastics films, textiles or other continuously produced planar materials using centre winding arrangements.

No expensive wiring or complicated installation work is needed and the equipment can be upgraded to do simple calculations and hold information in a solid-state, floppy disc or cassette memory.

A message of 100 words takes only seconds to transmit, and thus costs next to nothing to send even at peak-times over the telephone. A paper copy of the message can be retained for reference.

Datapod, GMS House, Boundary Road, Woking, Surrey GU21 5BX, Woking (0482) 69242.

major manufacturers for the power generation industry world-wide just one of NEI's activities.

Northern Engineering Industries Ltd
NEI
A merger of Clarke Chapman and Raylton Parsons

• SHIPBUILDING

Micro runs a complex sequence

RECENT sea trials in a fast corvette of a Vosper Thornycroft digital prototype D77 propulsion machinery control unit are believed to be the first occasion worldwide when a high performance warship's machinery has been successfully controlled by a system based on single chip microprocessor computer technology.

The unit chosen for the starboard propeller in the corvette was the propeller pitch control system performing one of the most complex machinery control functions in the ship. The ship has four diesel engines two to a shaft, in a twin-screw arrangement.

The standard controller for the starboard propeller in the corvette was the propeller pitch control system performing one of the most complex machinery control functions in the ship. The ship has four diesel engines two to a shaft, in a twin-screw arrangement.

SIGHT OF a warped, rotting or split window sill is a give-away sign to the man in the street that his neighbour is in for some necessary home maintenance. This is the most vulnerable part of the window frame subjected to weather conditions and, if neglected, could result in expensive replacement or weakening of the rest of the window frame.

Banishing the need for regular repainting and constant maintenance, however, is a window sill entirely made from white high impact, rigid "Beetle" pvc (supplied by British Industrial Plastics) now available in the UK from Tenplast Extrusions, Upper Basildon, Pangbourne, Berkshire RG8 5ST (049-182 333).

The sill extends about 100 mm beyond the window and its outer edge is shaped to cause rainwater to drip well clear of the wall beneath the window. A flange facilitates installation in the new window, and to window frames in need of repair.

Further on the material from BIP PVC Division, Aycliffe Industrial Estate, Darlington, Co. Durham (0325 315122). 754.



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£235 million. Using the broad relationship of rental value to rateable value and by applying a suitable Year's Purchase we would guess at the City having a Capital Value of over £5,000 million. Whatever your interest is in property in the City Savills are able to manage it for you, negotiate rent reviews and, of course, let, sell and value it for you, when required. In fact Savills can offer you a professional, discreet and efficient service in all aspects of Commercial property.

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THE MARKETING SCENE

U.S. DEVELOPMENT SCENE

Truth behind the smoke-screen

BY PETER KRAUSHAR

A RETURN to the U.S. is always like a breath of fresh air; so much enthusiasm, so much talk, so much willingness to attempt something new, so much conviction. But what is the truth behind the smoke-screen?

Companies in the U.S. are undoubtedly less afraid to venture into new fields than their UK counterparts I have been a terrible bore for the last ten years on the need of UK food manufacturers to seek out non-food opportunities, but in the U.S., food companies like Quaker, Nabisco, General Foods, General Mills and many others have done this for a long time. For example, the latter can now look forward to exciting growth opportunities in sports goods, textiles and DIY retailing.

Gillette has not been afraid of venturing into quartz watches, horticulture and sunglasses, while Proctor and Gamble has been particularly interesting in its recent entry into skin care and medical and pharmaceutical products.

There is no need to genuflect, however, before U.S. marketers, many of whom are facing the same problems as their UK counterparts. Marketing professors write learned papers on new product systems in learned journals, while new products themselves fail because the president of the corporation got up on the wrong side of bed one morning and ordered a new launch without any research at all. Product managers change all the time, so that there is little continuity, and a lack of objectivity presents frequent problems. Products are launched without any distinctiveness, while old-established ones often continue to outperform those that are seeking to replace them.

At the same time, little appears to be known about the cost-effectiveness of advertising, so that large sums of money are often wasted. And there is continuous searching for the latest magic formula, with each and every service company claiming to hold the only worthwhile answers to problems of concept

creation, market simulation, laboratory forecasting, mini-testing and so on.

On the other hand there is a fear of embarking on fundamental technical innovation because of the risks involved and because of pressures from the U.S. regulatory bodies. Most American companies are in fact remarkably parochial. They appear to be concerned only with the U.S., or with regional markets within the whole.

Does this offer comfort to

"One of America's best-known marketing men volunteered the opinion that companies in Britain probably have little to learn from the U.S. in terms of marketing practice."

"But we still compare badly in sheer application, commitment and willingness to take risks."

readers in Britain? Certainly one of America's best-known marketing men subscribe to the health food magazine, Prevention, despite its forbidding title.

Pets are a major preoccupation, as in the UK (packaged petfoods are claimed to be the biggest single product category in U.S. food shops), and one can even come across dog restaurants (yes, for dogs only) and shops specialising in pet clothes. Tennis is still booming and has led to such shops as Tennis Lady which stock nothing but tennis clothes for women, while the huge displays in sports stores of tennis rackets at much cheaper prices than here would dazzle most aspiring British Borgs.

Everywhere there are face factories (beauty parlours) and little stores called House of Nuts which sell nothing but nuts of all kinds—a peculiar idea to British eyes. It is clear that as the power of the large stores

Beer batter and baby yogurt

AS INDICATED above, it is the vigour, commitment and readiness to take risks that most characterize new product development in the U.S. This is borne out each month by the round-up of new product news in Advertising Age, which monitors all developments, however bizarre, writes Michael Thompson-Noel.

In a recent round-up, the magazine noted the growing sales of "synthetic" motor oils. Spectra Industries recently launched Spectra Formula 250, said to be an all-organic motor oil that offers fuel savings of up to 20 per cent and will only need changing every 25,000 miles.

The drinks market almost always makes the list. A.D.F. Liquor Imports, for instance, is launching what it calls Bullion English Lager in Los Angeles, while Bio-Geneva Imports is introducing Moussey, a non-alcoholic, low-

calorie malt brew, in San Francisco, Los Angeles and New York. The Dallas and Fort Worth markets are now making the acquaintance of Dr. Bubba's Strings naturally carbonated mineral water. It is bottled in Germany and has been "marketed in Europe since the 17th century," which gives it a flying start.

Pets? They're inevitably well catered for. Carnation is introducing Ground Roast seminatural dog food in Columbus, Buffalo and Miami. A 27 oz packet of six individually wrapped patties will sell at \$1.19 for beef flavour, \$1.25 for cheese.

Baby food is another much-visited market. The Beech-Nut foods Corporation, reports Advertising Age, is introducing Beech-Nut fruit with yogurt baby food line after successfully testing it in three New England cities. The new baby yogurts come

in three flavours: mixed fruit with yogurt, pineapple with yogurt and peach apple with yogurt.

For adults (presumably) the Booth Fisheries division of Consolidated Foods is introducing frozen fish slices in "beer batter."

Perhaps the most exotic news on the U.S. new products front recently was the announcement that Menley and James' Love Cosmetics division is bringing in scented nail varnish.

"When the enamel dries, the seal is released and lasts for hours. To minimize the clash between different fragrances of colognes or perfumes, floral scents will be used. The scented nail colours are available in gardenia, carnation, honeysuckle, hyacinth, tea rose, rose and clear bouquet."

Now who could have thought of that?

2nd Edition

BANKING IN THE UNITED STATES

By Dr. Harry Guenther

REVISED EDITION 1979

The author, a past president of Golemb Associates Inc., the leading bank research and consulting firm in the United States, and presently dean of the School of Business Administration at Georgetown University, has now revised his introduction to the structure, regulation and working of U.S. financial institutions. Dr. Guenther also discusses the nature of changes likely to occur in U.S. banking during the 1980s.

The book contains over fifty statistical tables, all updated for this new edition, which give not an abstract model but a real analysis of the variegated nature of banking in the most powerful economy in the world.

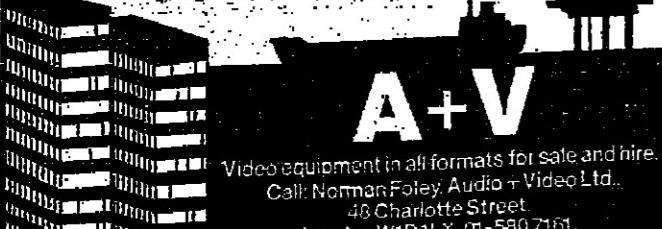
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Midland Bank's £2½m for review

BY MICHAEL THOMPSON-NOEL

Double broadside for poster business

BY MICHAEL THOMPSON-NOEL

THE ROW over the way the British poster industry is run has broken out again, with the poster contractors accused of excessive price increases, "enormous profits" and degrading standards of quality and efficiency.

Poster advertising is playing an increasingly important role within the total advertising business, but with outdoor advertising currently the subject of investigation by the Monopolies and Mergers Commission, this week's double-barrelled broadside will hit the poster business where it hurts.

The most sustained criticisms

come from the Nottingham-based poster monitoring company, Multimark, which openly admits that for the past two years it has orchestrated a campaign against the poster contractors and that it is now determined that the poster industry's "dirty linen" he

were first deposited with the original Charles Barker agency in 1973. The bank says there is "no dissatisfaction" with ABH's work. Spending this year is expected to be £2m, around 15 per cent of ABH's current billings. ABH chief executive Simon Barrow said he was reasonably confident about retaining the account. "It will be a fair fight. We wouldn't be repitching if we thought we were lost folder."

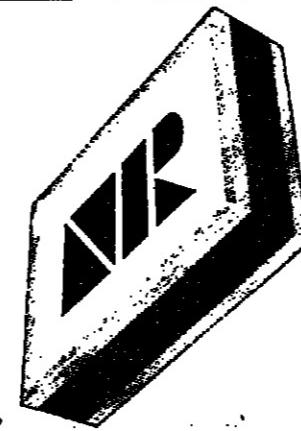
ABH's European business to that of the UK, the billings and billings-equivalent gain is

revealed the disgraceful fact that up to 25 per cent of sites available to short-term users of the medium are virtually worthless, whether correctly posted or not. . . . We believe that

the industry, for its own long-term well-being, must make concerted efforts to bring the

level of profit enjoyed by the poster contractors, saying it is not against the making of "adequate profits" but that it can see no justification for making them not out of increased output or efficiency but via the "monopoly situation which they have engineered solely for their own gain."

In a letter to managing directors of advertising agencies and specialist outdoor bureaux, Multimark says More O'Ferrall's pre-tax profits grew from £206,000 in 1975 to £841,000 in 1977. (More O'Ferrall's taxable profits for 1978, reported this week, reached record £1.57m on a turnover of £8.23m.) Profits at the London and Provincial



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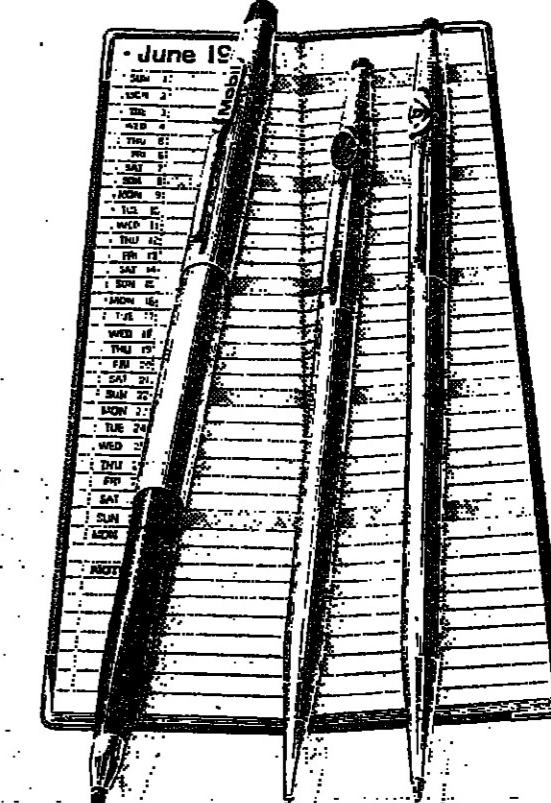
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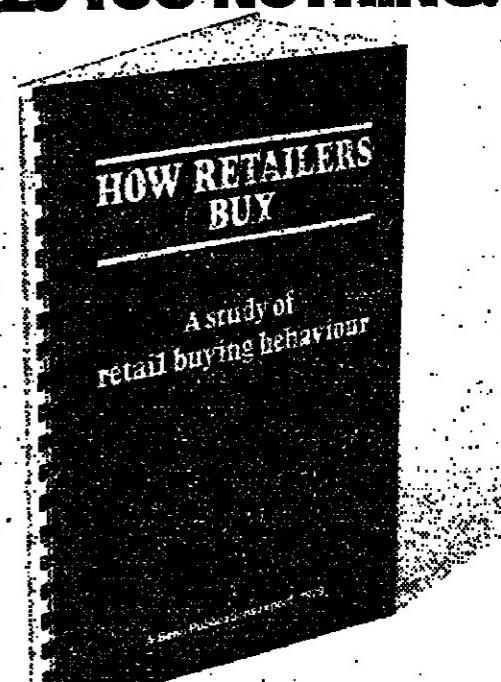
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NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$625,000 principal amount of the above described Notes has been selected by lot for redemption on June 15, 1979 at the principal amount thereof together with accrued interest to said date, as follows:

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JOBS COLUMN, APPOINTMENTS and BUSINESS OPPORTUNITIES

Go north • Two to care for £40m budget

BY MICHAEL DIXON

IT HAD to happen. The Jobs Column's repetition a week ago of the old instruction "Go west, young man," brought a swift reproof from one Robert Kinnaird.

Far better advice at this time, he said, in a modestly Scottish accent, would be: Go north, young person.

More specifically, he meant: Go to Glasgow, somebody capable of running and developing a small, scientifically directed advertising and public relations agency specialising in marketing on behalf of concerns, particularly large ones, in the engineering and other high-technology industries.

Over the past decade, Mr. Kinnaird has built an international reputation as a consultant in industrial marketing. At first, he farmed out the allied advertising and PR work to other agencies. But since he took over his consultancy business from McIntosh, Moores and Murray in 1973, more and more of this work has been done in-house.

Today the principal of the R. W. Kinnaird consultancy thinks it is time he returned to concentrating on the fundamental marketing aspects of his business. So he is seeking a managing director designate to be responsible to him for the advertising and PR services

which have clients in various parts of the United Kingdom, Europe and the United States.

"Our strength is quality rather than quantity," he said, "and my aim is to develop that side of the business slowly and carefully. Whoever comes in will start with about three staff, probably increasing to half a dozen over the next couple of years and to 10 or so by 1985."

"There'll be a good deal of leg work for a while, therefore, even though the person we want will already have done well both in running an advertising or PR operation and in the creative side of the work involved."

Candidates with technical understanding of high-technology industries would have an advantage. But Robert Kinnaird thinks that grafting engineering knowledge on to a skilled advertising manager would be more efficacious than the reverse process. He would also welcome applicants who have added a master's degree in management to practical experience in an appropriate field.

The age indication is 30 to about 38, but there is apparently a good deal of flexibility at the older end.

Salary is not specified, and I gather that there is even more flexibility there. A young applicant who impressed Mr. Kinnaird more with potential than

with proven experience might be offered £8,000 or so at the start. But a fully fledged agency head, already practised in doing business with top management in client companies, could be offered £18,000 or a bit more.

Perks include a car and the prospects of an equity stake within two years.

Interested readers should write or telephone for an application form. The address is R. W. Kinnaird and Company, 75 Buchanan Street, Glasgow G1 3HH—telephone 041-221 7430.

99-year-old

NOT LONG before his assassination, Tsar Alexander II removed the barriers which had kept certain occupations in Russia closed to Jews. So a voluntary organisation was formed to provide the training and tools necessary for such crafts as blacksmithy and carpentry. That happened just 99 years ago.

Since then the Organisation for Rehabilitation through Training, or ORT for short, has grown into possibly the world's biggest private concern supplying training both to children and to adults who have previously lacked the opportunity to acquire working skills.

It is still a Jewish organisation, drawing its £40m annual

budget mainly from communities in the U.S., Canada, the UK and so on, as well as from Israel. But the facilities of its 700 centres in a dozen countries are increasingly used by non-Jewish trainees. An expanding activity, for instance, is the development of skills in under-developed countries in Africa and elsewhere under a programme half financed by the World Bank.

One of ORT's particular boasts is that it is the only organisation in France which teaches people to maintain all kinds of elevators and all kinds of typewriters. But the training it provides ranges vastly, from dressmaking to sophisticated electronic engineering.

The approach of the organisation's centenary is complicated by changes. Max Braude, the director-general, is soon to retire, and in September the central administration is due to move from Geneva to London. In the meantime consultant Peter Taaffe Finn is looking for a new director of finance and administration, and a new chief accountant. Both will be qualified accountants who have practised their specialisms internationally.

How the annual budget is allocated is decided by ORT's main committee. But the incoming director will have the "treasury" responsibility of

managing the funds up to the time when they are allocated. Careful supervision of a cash flow or more than £100m a year will be a further duty, as will be onsite inspections of the financial affairs of the 700 centres, half of which are in Israel.

Mr. Finn would like both to work their first few weeks in Geneva before moving with the headquarters to London in the autumn. Career outlines to him at ORT, Whitehall Court, London SW1A 2EL. Telephone 01-839 2153.

Refinement

BRIAN SALTZER, of West One Selection, wants two people—one on the east coast of the U.S. and the other in Liberia—for an American group operating and maintaining refineries and similar. He will honour any applicant's request not to be identified to the un-named employer until permission is given.

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Editorial

INTERNATIONAL FINANCE EXECUTIVES

Birmingham

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Candidates, ACA/ACCA aged up to 32, should have an independent but totally professional outlook, be able to control staff and have at least two years post qualification experience in a commercial environment. Non-contributory pension scheme, life assurance, BUPA, relocation expenses.

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01-404 5801

BANK OF ENGLAND

Commodities Economist

The Bank wish to recruit an economist to develop the analysis of commodity prices and markets. The work will involve the forecasting of commodity prices as an input to macro-economic forecasts as well as policy analysis and simulation, including for example the implications of price stabilisation schemes and international agreements.

The Bank's substantial market expertise and contacts will be available to assist the work, and facilities will be available for the publication of research papers.

The successful applicant is likely to be an economist in his/her early thirties, with an interest in commodity analysis and forecasting.

Practical experience of research and economic forecasting, preferably in the commodities field is desirable; and a sound knowledge of econometrics is essential. Because of the confidential nature of the Bank's responsibilities candidates should normally be British by birth and of British parentage. Salary will reflect ability and experience, but will be not less than £8,500.

The appointment will be for two years with the possibility of renewal.

Application forms are available from The Principal (Recruiting), Staff Division, Bank of England, Threadneedle Street, London, EC2R 8AH. Tel: 01-601 4618 or 4832.

Partners' Assistants

Stockbroking

The recent merger between Stock & Co and George & William Beech has created opportunities at the Company's offices in Bristol, Birmingham and London for Partners' Assistants.

Applicants, male or female, should preferably be under 30 years of age and ideally will have had some experience in the handling of private client portfolios.

Attractive salaries are offered together with the usual range of fringe benefits and there are good prospects for promotion to people of the right calibre.

Please write with details of education and career to date to O. H. Chaldecott, Stock Beech & Co, The Bristol & West Building, Broad Quay, Bristol BS1 4DD.

Stock Beech & Co

Members of the Stock Exchange

Circa £7,500 plus car and usual benefits

A Company acting primarily as a subcontractor to the CONSTRUCTION INDUSTRY based in the East Midlands, with a current turnover in excess of £1.5m wishes to appoint a CHIEF SURVEYOR aged 35 to 40, to prepare final accounts and interim valuations, to assist the Chief Executive, and to play a developing role in the overall performance of the Company leading to wider management responsibility.

Applicants should have a high level of basic education and formal training, be cost and profit conscious, and a desire to progress to, or may already be involved in, General Management.

Please reply giving curriculum vitae, to Box No. A6755, Financial Times, 10, Cannon Street, London, EC4P 4BY

LEGAL APPOINTMENTS

D.J.FREEMAN & CO.

require a

COMMERCIAL CONVEYANCER

to handle substantial and complex transactions and development projects. Technical expertise and mastery of the commercial implications of the work are essential.

The salary and career prospects are outstanding.

Apply: Mr. David Solomon

Telephone: 01-636 4055
9 Cavendish Square, London, W1M 9DD.

INTERNATIONAL MERCHANT BANK

IN-HOUSE COUNSEL

The Royal Bank of Canada, Canada's largest bank and one of the world's leading international banks, is in the process of establishing a wholly-owned merchant bank in the City of London. The bank will offer banking services to clients on a world-wide basis and will specialise in Eurocurrency medium-term loans and in the management and underwriting of Eurobond issues.

As part of the management team for this new venture the bank requires a qualified solicitor primarily to assist with loan documentation and related matters.

The candidate should have a minimum of two years' experience in the negotiation and preparation of documentation relating to syndicated Eurodollar loans. Knowledge of the Eurobond market would also be an asset. Salary is negotiable with usual bank fringe benefits.

If the challenge of working for the new merchant banking arm of a major bank appeals to you please apply in writing giving personal and full professional details as well as salary requirements to:

Mr. E. D. Ferguson, Co-ordinator
c/o The Royal Bank of Canada Trust Corporation Limited
30-32 Ludgate Hill, London EC4M 7ND

All replies will be treated in confidence.

Eurobond Fund Management

£ Neg

City

Our Client, The United Bank of Kuwait, is actively involved in the management of substantial investment portfolios for Middle Eastern institutions and private clients.

Continued expansion of business has led to the creation of a new position in the fund management/bond trading team, which calls for an individual aged 24-28 with some exposure to a dealing environment in currencies or securities and/or some existing knowledge of eurobonds.

In addition, candidates must demonstrate personal qualities of responsibility, initiative and a readiness to learn, as this position is expected to prove the starting-point for a successful career in investment management with the bank.

This attractive opportunity affords considerable scope for both career and salary progression.

Contact A. J. Tucker, MA, AIB, in confidence
on 01-248 3812

NPA Recruitment Services Ltd

50 Chancery Lane, London EC4A 1JL Telephone 01-248 3812

Financial Controller

Rural Mid Sussex

to £12,000 + Car

Following a recent major acquisition, this successful group is strengthening its senior management team. With over 80 branches throughout Southern England, the group is the largest in its sector of the service industry.

A top financial executive is required to advise the Board on financial aspects of the business. This will include financial and tax planning, acquisition appraisals and the development of improved central accounting and management reporting systems.

The position calls for a Qualified Accountant over 35 with broad based commercial experience. Also, as you will play a key role in the control and growth of the group, it is essential you enjoy a high level of business involvement and can communicate with all levels of staff.

There is a generous remuneration package and an extremely pleasant working environment in newly built prestige offices.

Candidates should apply for a Personal History Form quoting ref. AC241/FT to:

W. S. Gilliland,
Thornton Baker Personnel Services Limited,
Fairfax House, Fulwood Place, London WC1V 6DW.
Telephone: 01-405 8422.

A member of the Management Consultants Association

Personnel and Industrial Relations Consultants

Financial Director

upto £15,000 + car

Euro Exhaust Centre Holdings Ltd wishes to appoint a Financial Director for their expanding and profitable company and its European subsidiaries. The principal activity of the company is the operation of specialist exhaust fitting centres. Based at St Albans and responsible to the Board for the overall direction of the financial and commercial affairs of the business. The Financial Director will control the accounting and EDP staff through 6 supervisors who will report directly to him.

Applicants must be qualified accountants. As considerable maturity is required, suitable candidates are likely to be between 32 and 40 years of age and will offer a minimum of 5 years' post qualification experience in financial situations. Experience should include successful installation and development of systems and the supervision of accounting staff.

The total emoluments will reflect the importance attached to this appointment and will be negotiated at around £15,000 p.a. There are opportunities for equity participation. A company car will be provided. The position provides an opportunity for career development in a challenging and exciting environment.

Candidates, male or female, can make application by quoting reference MCS/2056 and requesting a personal history form from Ashley S Phoenix, Executive Selection Division, Southwark Towers, 22 London Bridge Street, London SE1 9SY.

Price Waterhouse
Associates

ACCOUNTANT

Hume Holdings Limited require a Finalist/Recently Qualified Accountant to join a small team of Accountants primarily engaged in Financial Services.

The successful candidate will be aged between 21-30. Most attractive salary commensurate with age and experience. In addition to the salary the Group offers attractive fringe benefits.

Please apply in writing in strictest confidence to:
Group Personnel Manager,
Hume Holdings Limited,
18 St. Swithin's Lane,
London, EC4N 8AH.

F.X. DEALERS

Amongst our current recruitment assignments are a number of interesting and challenging opportunities for Foreign Exchange Dealers. There are vacancies for people with upwards of two years active Exchange Dealing experience, and also senior dealing appointments requiring a minimum of 5 years experience. Locations: Bahrain and London.

Please contact: ROY WEBB

CREDIT ANALYST

Our client is a young overseas bank, which combines an enviable record of growth with a first-class reputation in international banking circles. At the bank's London office, a most attractive vacancy occurs for an analyst, aged in his or her 20's, with at least two years credit experience in international banking, preferably including formal credit training. There are significant prospects for career advancement in the short to medium term.

Please contact: KEN ANDERSON

EUROBOND SETTLEMENTS

We are currently recruiting for a number of leading merchant and investment banks in the Eurobond administration area. Vacancies are available for people with one year's experience at around £4,000 p.a., to those with substantial experience and responsibility in primary and secondary market operations.

In addition to excellent salaries, our clients offer a range of fringe benefits including house mortgage assistance.

Please contact: DAVID GROVE

CHARTERED ACCOUNTANTS

In the merchant banking sector we can currently offer opportunities for recently qualified Chartered Accountants in Corporate Finance, and also in Financial and Management Accounting.

Please contact: PETER S. LATHAM

First Floor, entrance New Street, 170 Bishopsgate, London EC2M 3LX, 01-623 1266

Accountants

*International Operations
up to £10,000*

Continuing promotion within this British owned international group of companies means they are seeking a number of chartered accountants to operate around the globe advising senior management on internal controls and systems and on improving management information systems.

Debriefing visits to our client's London base will be arranged several times a year and there will be opportunities for secondment to their operating companies.

As this is the recognised route to the top, you can expect to be promoted to more senior positions in the UK or overseas after about three years.

Benefits include a non-contributory pension scheme, use of company car while overseas, first class travel and living expenses and generous home leave arrangements.

Please telephone (01-629 1844 at any time) or write in the first instance—in confidence—for a personal history form. B. C. Oliver ref. B.1246.

These appointments are open to men and women.

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

MSL
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

DIRECT RESPONSE SALES/MARKETING

DIRECTOR DESIGNATE

(Based Manchester)
(Re-location expenses)
Salary c. £9,000

Expansion by a well established group of correspondence colleges has created an opportunity for a person with extensive direct response selling and demonstrable skills in this field. Duties will involve the writing and control of ad. copy, direct mailing lists, promotional booklets etc. There are some staff to control and responsibility for the total sales effort will be assumed on board appointment. A good progressive career pattern is envisaged. Salary negotiable plus car and other benefits.

Reply in confidence to:
Douglas Knipe
N.S.S. Executive & Sales
Recruitment Ltd.
Danes Inn House, 265 Strand
London WC2R 1AD
Tel: 01-405 9751

BOVRIL LIMITED, a major manufacturing and marketing Division of the international food manufacturing and grocery retailing Cavenham Group, wish to appoint a

Marketing Director

to succeed the present Director who has been promoted into General Management within the Group.

The Company, since its acquisition in 1971 by Cavenham, has been involved in a major organic growth programme. The Marketing Director is a member of the Bovril Limited Board centred at Enfield which is pursuing this programme and which operates with a high degree of autonomy in a profit orientated Group.

The new Director's responsibility will be for the overall product development, marketing, advertising and strategies to ensure that the entire UK range of retail brands which includes Bovril, Marmite, Cubes from the makers of Bovril and Ambrosia canned milk products are maintained in a leadership position. In addition, will play a considerable part in pursuing the major organic growth programme already developed and this will include the control of extensive test marketing programmes during this financial year for at least three important new brands.

Opportunities for future development into General Management within this fast growing Group must be as good as any in Europe.

Applicants will likely be aged between 33 and 40, graduates and with a clearly demonstrable record of success or experience in the marketing of fast moving consumer goods (particularly in introducing new brands) and in working with and directing highly professional marketing people within the Company and its Advertising Agencies.

Remuneration is, as one would expect for this major appointment, unlikely to be a barrier. Fringe benefits, including a Rover 3.5 car are also very attractive.

Candidates should apply, in writing, giving details of education, career history and present remunerations, in strict confidence, to: Mr. C. R. Williams, General Manager, Bovril Limited, Bovril House, Southbury Road, ENFIELD, Middlesex.

BOVRIL

Senior Business Analyst

Pricing

London, to £9,000

This will attract an ambitious person in the mid-20's who is looking for excellent experience and career opportunities to match potential. Our client, a major multinational manufacturer and distributor of electronic equipment, has an excellent growth and profit record, achieved within a highly-competitive industry by aggressive and professional marketing. The successful candidate for this vacancy, which has arisen through internal promotion, will be paid.

N.P.S. Liley, Ref: 22147/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.



Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

Manager: Finance and Administration

Home Counties c. £12,000
+ car

This soundly based and expanding British owned company is a leader in its particular sector of the machine tool industry. A high proportion of output is exported and there is considerable growth potential both in the UK and overseas.

Reporting to the Managing Director, the Manager: Finance and Administration will have overall responsibility for those functions. Systems are computerised and being further developed. Success in this position will lead to a Board appointment and there may be the opportunity to move into general management at a later date if desired.

The successful candidate will be about 40 years old and preferably, but not essentially, with an accountancy qualification (ACMA preferred). Experience must include a period in light engineering with a sound knowledge of budgetary control and costing. The ability to contribute in a small/medium size company is essential.

Initial salary will be about £12,000 and other benefits include a car and contributory pension scheme. Candidates of either sex should apply, in confidence, quoting Ref. FT/19/F and enclosing a brief career resume to:



Turquand Youngs and Layton-Bennett
Management Consultants
11 Doughty Street
London WC1 2PL

INTERNATIONAL CORPORATE FINANCE

First Chicago Investment Banking Group requires a person with experience in the international capital markets. The successful candidate will be a member of a small group which is responsible for working with the Bank's corporate customers and generating new business opportunities in Europe. The position has considerable scope and an attractive remuneration package is envisaged.

Please write with full career details to:
Mrs P. Crowe,
First Chicago Investment Banking Group,
P&O Building, Lexdenhall Street,
London EC3.

FIRST CHICAGO
INVESTMENT BANKING GROUP

UNADVERTISED VACANCIES

Interexec provide Britain's largest and most comprehensive confidential career advisory and job searching service for senior executives entering the employment market either in the U.K. or overseas. Interexec clients are never expected to register with an agency, apply for a job, research an employer, prepare any written presentation, write a letter or even find vacancies.

Interexec trained staff undertake all this and more to assist executives to secure senior positions quickly and effectively. If your future is in doubt, contact:

Interexec,
31 Southampton Row,
London WC1B 5HJ.
01-404 4321

Milburn House,
Dean Street,
Newcastle upon Tyne,
Newcastle (0632) 29334

FEDERAL HOUSING AUTHORITY

Internal and External Advertisements

Applications are invited from suitable qualified candidates for appointments to the following vacant posts in the Planning & Research Department of the Authority.

POSITIONS

1. CHIEF ENGINEER OFFICER GL 14 (N8868-N9828)
2. CHIEF ENGINEER (Materials Research) GL 14 (N8868-N9828)
3. CHIEF ENGINEER (Building Research) GL 14 (N8868-N9829)
4. PRINCIPAL PLANNING OFFICER (Feasibility Studies) GL 12 (N7104-N7752)
5. PRINCIPAL PLANNING OFFICER (Master Plans) GL 12 (N7104-N7752)
6. PRINCIPAL BUILDING ENGINEER GL 12 (N7104-N7752)
7. PRINCIPAL RESEARCH ENGINEER (Soil Mechanics) GL 12 (N7104-N7752)
8. PRINCIPAL CIVIL ENGINEER GL 12 (N7104-N7752)
9. PRINCIPAL PHYSICS/PRINCIPAL RESEARCH ENGINEER (Scientific Investigation) GL 12 (N7104-N7752)
10. PRINCIPAL STRUCTURAL ENGINEER GL 12 (N7104-N7752)

QUALIFICATIONS AND EXPERIENCE

1. University degree or equivalent professional qualification in Town Planning. Ten years relevant professional experience in the field of Data Collection, Preparation of Master Plans, and Feasibility and Viability studies, five of which must be at senior management level.
2. Membership of the Institute of Town Planners of Nigeria or other recognised Institutes will be an advantage.
3. University degree or equivalent professional qualification in Geology, Soil Mechanics, Architecture or Civil/Structural Engineering plus ten years relevant experience in soil investigation, analytical chemistry, materials research, five of the ten years must be at Senior Management Level in a university or research Institute. Membership of recognised professional bodies and possession of a higher university degree like Masters or Doctorate will be advantageous.
4. University degree or equivalent professional qualification in Building or Civil/Structural Engineering. Possession of a higher degree like Masters or Doctorate will be an advantage. In addition, applicants must have ten years post-qualification experience in Building Methods and related scientific investigations, five of the ten years must be at senior management level.
5. University degree or equivalent professional qualification in Town Planning plus seven years relevant post-qualification experience. Registration with the Nigerian Institute of Town Planners or other recognised Institutions will be an advantage.
6. University degree or equivalent professional qualification in Building Engineering/Technology, Architecture or Civil Engineering with emphasis in Building Technology, plus seven years post qualification experience in the relevant field.
7. Applicants must be registered or be registrable with the Council of Registered Engineers of Nigeria (COREN).
8. University degree or equivalent professional qualification in Physics plus seven years post-qualification research experience in Scientific Investigation in Buildings and building materials. Possession of a higher degree will be an advantage.
9. University degree in Physics plus seven years post-qualification research experience in Scientific Investigation in Buildings and building materials. Possession of a higher degree will be an advantage.
10. University degree or equivalent professional qualification in Structural Engineering plus seven years post-qualification experience in building structures. Possession of a higher degree will be an advantage. Applicants must be registered or be registrable with COREN.

DUTIES

6. The Planning & Research Department of the Authority is charged with responsibility for the following and as provided in Section 9 of Decree No. 40 of 1973 which established the Authority:
 - "the preparation and submission from time to time to the Government of proposals of National Housing Programmes;
 - "the making of recommendations to the Government on such aspects of urban and regional planning, transportation, communications, electrical power, sewage, and water supply development as may be relevant to the Nigerian conditions.
7. The duties of the positions referred to above are:

POSITIONS

1. Preparation of Master Plan for new Estates and also preparation of feasibility studies.
2. Soil investigation, research on the use of local building materials analysis, etc.
3. Research on building methods. Training of construction personnel, research on cost reduction in building, etc.
4. To assist the Chief Planning Officer as may be required on feasibility studies.
5. To assist the Chief Planning Officer as may be required on Master Plans.
6. To assist the Chief Engineer (Building Research) as may be required on building research, and to study industrialised building systems.
7. To assist the Chief Engineer (Materials Research) on soil investigations and design improvements as may be required.
8. To assist the Chief Engineer on Preliminary and final design of primary infrastructures like roads, drains, water supply, sewage and incineration designs.
9. To assist on scientific investigations to improve ventilation, humidity, air circulation in buildings, and any other aspects that contribute to the comfort of the occupants of a house or building.
10. To assist the Chief Engineer on the investigations and design of the structural aspects of buildings.

SALARY AND CONDITIONS OF SERVICE

Point of entry into the Grade Level stated above depends on qualification and experience. Other conditions of service are similar to those applicable to the Public Service of the Federal Republic of Nigeria.

METHOD OF APPLICATION

addressed to:

The General Manager,
Federal Housing Authority,
Festival Town, Badagry Road,
P.M.B. 3200, Surulere,
Lagos, NIGERIA.

and to reach him not later than June 15, 1979.

The post applied for or in respect of which a reference is being made should be clearly marked at the bottom left corner of the sealed envelope forwarding the application or the reference.

Only short-listed applications shall be acknowledged and the Authority shall not enter into any correspondence with other applicants. The Federal Housing Authority will make convenient arrangements to interview the shortlisted applicants.

GENERAL MANAGER
FEDERAL HOUSING AUTHORITY

Banking

Business Development £10,000 to £15,000
Lending Officers with a strong background in developing business in France or Scandinavia are required by two major international banks.

Chief Accountant c. £12,000
Active international bank seeks a qualified Accountant, 28-35, preferably with banking experience, to assume a senior position in its Accounting Department.

F/X Dealers £Neg
Several exciting opportunities exist for experienced Dealers, 25-29, in the following financial centres: Bahrain, Cairo, Saudi Arabia, London.

Head of Credit to £12,500
Senior Credit Analysts are required by two of our Clients, both well-respected international banks. In addition to sound credit experience, the ability to supervise a small team is essential.

Lending Officer £9,500 to £11,000
International merchant bank seeks experienced Account Officer, 27-33, preferably with knowledge of at least one European language.

Junior Bankers £4,000 to £7,000
Although principally known as specialists in senior banking appointments, we are often asked by Clients to assist with their more junior requirements. If you have banking experience and seek professional career guidance, we should be pleased to hear from you.

Contact Tony Tucker or Tom Koffman in confidence on 01-248 3812.

NPA Recruitment Services Ltd

60 Cheapside, London EC2. Telephone 01-248 3812 345



INTERSCAN is a young well-established company which specialises in marketing DEX facsimile terminals, communicating

word processing and telephone call logging equipment. Our continuing success has created the following vacancies—

Sales Executives

£1000 +

Mature and experienced sales professionals are required for several areas in the U.K. Applicants should have a sound education and proven sales record in one or more of communications equipment, computer-related products, capital goods or business products...

Successful applicants will be selling one of the company's three product ranges in areas encompassing the major U.K. conurbations.

A remuneration package of high basic, commission and quarterly bonus enables an on-target performance in excess of £10,000 to be offered.

General Engineering Manager

£10,000 +

A top-level management position to take overall responsibility of an expanding engineering department. This includes design, specification, production, product development and stock control.

A good technical background in telecommunications and a knowledge of the application of micro-processor technology is essential. After a minimum of four years' management experience with a proven ability to implement procedures in a rapidly growing company.

Basic £10,000 but negotiable, depending on experience and qualifications.

Company benefits for both positions will include car, business expenses, private medical insurance and pension plan. Both positions are open to both men and women.

Apply in writing to: Mr. D. W. Knight,

Managing Director, Interscan Communication Systems Ltd., 39, Moncrose Avenue,

Slough, Berkshire.

FINANCE AND ACCOUNTING MANAGER International Consultancy

Central London

£10,000-£12,000

Our client, the U.K. branch of a leading international consultancy, is renowned for the high standards adhered to in solving management problems with the objective of increasing profitability and performance.

Reporting to the Managing Director, the successful candidate will control a small finance team responsible for all aspects of accounting and management, and fiscal information for the U.K. branch management, international headquarters, and the consultancy.

Candidates should be professionally qualified, (A.C.A., A.C.C.A., or A.C.I.S.), ideally aged 35-45, with a broad base of experience gained within a professional or commercial environment. A knowledge of fiscal legislation and compensation schemes would also be desirable. In addition, they should have the tact and maturity to relate effectively to a multi-disciplined, multi-national team of consultants.

Candidates for this appointment should submit a curriculum vitae or telephone Robin F. Taylor B.A., C.A. or Ronald Vaughan F.C.M.A. for more detailed information and a personal history form quoting reference 2457.

Commercial Division
Douglas Ulmann Associates Ltd.
100 Newgate Street, London WC2B 0NS. Tel: 01-836 9501
121 St. Vincent Street, Glasgow G2 8HW. Tel: 041-226 7744
3, Castle Street, Edinburgh EH3 3AA. Tel: 031-225 7744



Financial Director

South West

£15,000-£17,500 + car

The company, well known in the construction industry, wishes to appoint a Financial Director who will also be Company Secretary. Specialist knowledge of the industry is needed and this will have been gained through present or recent involvement at or immediately below board level.

The role is to provide financial direction to the company's already diverse trading activities and to contribute widely to the future growth of the company. Long term plans of the parent group suggest that the job offers considerable scope for personal development.

Essentially the need is for a chartered accountant with sound commercial judgement. Experience of negotiation and the application of data processing to the production of management information will be valuable. The domestic background of the job holder must enable travel sometimes at short notice. Salary in the range £15,000-£17,500 plus car. Location South West.

Please write in confidence for an application form and a job description to David Prosser, Executive Selection Division, Southwark Tower, 32 London SE1 8SY, Bridge Street, London SE1 8SY, quoting MCS/3752.

P. Price Waterhouse
Associates

Trust Company Executive British Virgin Islands \$25,000

Craigmar Trust Company Limited is a financial institution in the British Virgin Islands holding a general banking licence and its sponsors are a firm of financial and fiscal advice based in London and Jersey, and a leading firm of lawyers in the British Virgin Islands. The company has established an office in Tortola, BVI which deals with company and trust administration and now seeks an accountant/trust officer to be the resident Executive for this office. The Executive will be part of a team offering international financial and fiscal advisory services and where appropriate the Executive will be required to travel to meet clients and their advisors. In addition the Executive will be expected to deal personally with the keeping of company minutes and other records, preparation of accounts and tax computations and to train local staff to this end.

The applicant should hold an accountancy or other relevant qualification and have a sufficient working knowledge and relevant experience of company and trust administration, banking and taxation to deal competently with a wide range of transactions.

The BVI has low personal taxation (maximum of 17%) and its currency is the US Dollar. The salary offered is \$25,000 per annum plus benefits.

Interviews will be held in London or Jersey and applications should be made in writing giving the fullest relevant details of education, experience and qualifications to: D. R. Gray, 25 Queen Anne Street, London W1M 9FB.

ARTS COUNCIL OF GREAT BRITAIN

Subsidy Finance Officer

The Arts Council has an interesting and exciting opportunity for a member of the Finance staff to specialize in subsidies to arts organizations. This is a unique chance to enter a field of work which could open up a career in financial administration in the Arts. It requires a good knowledge of financial, fair, diligences and accounting ability.

Starting salary (under review for Civil Service increases) is within the incremental range £3,368-£5,103 p.a., according to age, qualifications and experience. Benefits include annual leave; non-contributory pension scheme; and staff restaurant.

Please write with the names and addresses of two referees to

Mrs. Glenna Palmer
THE ARTS COUNCIL OF GREAT BRITAIN

105 Piccadilly, London W1V 0AU from whom further information is available. Closing date 26th May, 1979.

FINANCIAL MANAGER

Union Carbide U.K. Limited is seeking an experienced Financial Manager for its Treasurer/Secretary function, which will be part of a new re-organized Head Office Group located in modern offices in the centre of Sheffield.

The job will be heavily concerned with planning and monitoring cash flow in the Group and the assessment of customer financial credibility and establishment of credit limits. The work will also include areas of Statutory Accounting and Taxation relevant to a multi-million pounds turnover business, operating across ten locations in the U.K.

The successful candidate is likely to be in the late 20's early 30's range with good experience in the important area of customer credit. Qualifications necessary will be a Chartered Accountant with the appropriate background of previous work being possibly in a smaller company or organisation.

The position offers a fine opportunity for progression and candidate selection will also be based on assessment of future potential.

Assistance with re-location will be given and a fringe benefits package commensurate with a progressive and soundly based organisation is offered.

Applications in writing, giving previous experience, age, etc. should be addressed to:

D. R. Blewett
Union Carbide U.K. Limited,
C/o British Acheson Electrodes Ltd.,
Grange Mill Lane,
Wincobank,
Sheffield S9 1HS.

This position is open to both male and female applicants.

UNION CARBIDE

PK/HELLER INTERNATIONAL LEASING S.A.

is a recently established leasing company based in Luxembourg. The company is jointly owned by PKBanken, the largest Scandinavian bank, and Walter E. Heller & Co., a leading worldwide financial company, headquartered in Chicago. We are expanding and have an opening for a

SALESMAN INTERNATIONAL LEASING

The person we are looking for should have:

- experience in the field of international leasing/equipment financing
- an interest in working in an international setting based in Luxembourg
- a good command of French and/or German apart from English
- be aged between 25-35.

To the right person we offer:

- a challenging position with unlimited future career possibilities
- a working environment with an opportunity to contribute to the company's overall objectives
- an attractive compensation package in line with the responsibilities of the position.

For further information please contact:
M.D.: MR. GUNNAR HEIN or AD. MGR.: MR. JOE ABREU
TEL. NO. (0032) 28161 - 31 GRAND'RUE, LUXEMBOURG
Your application with c.v. should be with us no later than June 5, 1979.

Operational Reviews in Europe

ACA-mid/late 20's Brussels based

£17,500 with excellent benefits

Microprocessing is one of today's fastest growing industries. This U.S. group has an outstanding growth record with revenues currently in excess of \$400m.

As a direct result of the expansion of its Western European sales and marketing activities it is now seeking an individual to—

- Initially examine systems and procedures and set up formal policies.
- Subsequently establish an auditing function and carry out special assignments.

This new position will provide—

- Excellent business experience in a high technology industry.
- Allround knowledge of European practices and trading conditions.

Please reply in confidence, quoting Ref. U821/FT giving concise personal, career and salary details to R. G. Billen — Executive Selection.



Arthur Young Management Services
7 Rolls Buildings
Fetter Lane, London EC4A 1NL

Marketing Manager

M.D. Designate-(UK) for manufacturer of speciality chemicals

Berks from £15,000 + car etc.

Our clients, a UK based subsidiary of a major U.S.

Corporation, develops, manufactures and distributes world wide a range of chemical products for the petroleum industry. The present Managing Director retires in 18 months time and the successful candidate will initially assume full responsibility for the marketing function while being groomed to succeed the top position. A key objective will be to increase substantially their market share in Europe via a new Belgian

production plant. Candidates must show a highly successful career in industrial marketing together with well developed general management skills. The ability both to motivate those around them and win the support of corporate management is essential. Ideally the background will include a qualification in the chemical or chemical engineering discipline followed by experience in that or the automotive industry and a knowledge of petrochemicals is a distinct advantage.

N.P.S. Liley, Ref. 2213/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll street, W1 6EZ.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LLANDUDNO, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

Finance Manager Hong Kong

£15,000 plus local benefits

This is a new post with a local group of companies engaged in land development and associated project management activities.

The need arises from the increasing size and complexity of current projects, together with others in the pipeline or ready to come on-stream.

Reporting to the Managing Director, the main tasks are to improve and operate financial management systems and controls; to undertake project feasibility studies; and to handle financial relationships with partners, contractors, engineers, architects, bankers and auditors (a major international firm).

The requirement is a qualified accountant, probably aged 30-40, with substantial financial management experience in commerce or industry — particular background is not important—and the capacity to work with limited support as a member of a small HQ team of multi-disciplinary specialists.

Initial two-year contract (single or married status). Benefits include annual bonus, free passages, and medical insurance. Assistance with housing and education negotiable. Low tax rates (around 15% maximum) apply.

Please write in strict confidence with full personal and career details, quoting ref. 410/FT, to Philip Smith.

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

If the scope of your present position seems too narrow, if your progress is restricted by circumstances which have nothing to do with your capacity or performance, then you should write to us. We are one of the largest firms of United States management consultants, active throughout the world, and in the European area. We are looking for junior consultants and

Management Trainees

between 25 and 35 years of age.

Your career with us depends entirely on your abilities. There is no selling activity. Nor is there any routine work, as our assignments include production, distribution, sales, marketing and training, for our clients who are major companies active in many different fields. As our projects are Europe-wide, you must be prepared to travel every week. Those who are graduates in economics, business management, sociology, psychology, etc., have the best opportunities with us. But even if you are not a graduate you are not excluded if you can demonstrate solid experience in working with people. Fluency in English, French and German necessary. Knowledge of additional languages will be an asset. The most successful candidates may expect high salaries once the training period is over.

Apply immediately, preferably giving your telephone number, as preliminary interviews will take place in the next few weeks.

LETTER TO BOX NUMBER FT 79 M 8
c/o INSIGHT PUBLICATIONS SA, BD DE LA CAMBRE 42
BTE 13, 1050 BRUSSELS, BELGIUM

CJA

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

An exciting and demanding appointment — scope for further promotion within the short/medium term

**INTERNATIONAL SALES EXECUTIVE—
PETROCHEMICALS**

BERKSHIRE

LEADING MULTINATIONAL COMPANY IN THE FIELD OF CHEMICALS AND GASOLINE ADDITIVES

We invite applications from Sales Executives, aged 30-36, qualified with either a University degree in Chemistry or Chemical Engineering, fluent in English, who have acquired at least 3 years' successful selling experience, preferably on behalf of multinational organisations, negotiating volume contracts. The successful candidate will report to the European Sales Manager and be responsible for selling the company's complete product range in the U.K. and Scandinavia. Up to 70% of time will be spent in the field. The ability to service effectively existing clients and to negotiate profitable volume contracts is important. An attractive high salary is negotiable plus generous fringe benefits. Applications in strict confidence under reference ISEP3919/FT to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374.

Senior position with Corning Limited

(North East)

CORNING LIMITED, a subsidiary group of Corning Glass Works (USA) is looking for an experienced and aggressive Chartered Accountant to take the senior position of Project Manager, Internal Control Development.

Corning Limited Group consists of 6 major divisions and 4 overseas operating subsidiaries with a total turnover in excess of £60m, employs 4,000 people and manufactures a range of products which include 'Pyrexware' for the domestic market and chemical industry use; laboratory ware; electronic components; medical instruments and reagents. In addition, the Group acts as sales agent for a comprehensive range of glass/ceramic materials and products on behalf of the US and European CGW Associated Companies.

The job calls for the planning and co-ordination of comprehensive programs to upgrade and systematise internal controls in the financial, accounting and operating functions throughout Corning Limited and its subsidiaries.

These programs will result in control and tracking systems which dovetail with company worldwide procedures and meet local management needs in addition to satisfying both internal and external audit requirements. Travel within the UK, Europe and the US will be required.

This senior management position will report directly to the Group Controller and be located at the Group Headquarters at Washington, Tyne and Wear.

The successful applicant (male/female, aged between 30-45) will in addition to being a Chartered Accountant preferably educated to degree standard, have past qualification experience gained with a professional firm.

Several years' industrial experience is essential, knowledge of data processing and international business systems would be desirable, and a knowledge of US accounting practice and a second language ability useful.

Future opportunities will be excellent from this 'fast track' project orientated job. Success will open promotional doors in Europe and the USA in addition to the UK Group.

Benefits and salary will be discussed on interview, but are in keeping with leading international company remuneration packages.

If you feel confident that you have the background and stamina for this opportunity, then write or call: John Parker, Director and Group Controller, Corning Limited, Parsons Estate, District 2, Washington, NE37 1EX, Tyne and Wear. Tel: (0632) 468676.

CORNING

Look upon your Accountancy qualifications as an overseas travel permit

Corporate Audit

We are not just talking about the occasional trip. Before you read any further, we must establish that you are prepared to spend not less than 50% (and probably more) of your time travelling in Europe, Africa, and the Middle East.

As long as you are, we will give you the freedom to control your own operational and financial audits. You will be interpreting corporate policies for overseas operations, evaluate existing internal controls, and recommend operational improvements wherever necessary.

Aged at least 25 and a professionally qualified ACA, ACCA, or ACMA, you should have gained some sound practical auditing experience during qualification. Strong communication skills are essential and you should also be able to bring us a second European language.

The initial salary is negotiable, and will be supplemented by a substantial range of benefits, including generous travel concessions which will allow you to return to the UK every weekend whilst working in Europe.

Please write, with full details, to: E. J. Young, NCR Ltd, North Circular Road, London NW2.

NCR

Complete computer systems

EUROPEAN AUDITOR

Insurance Up to £13,000

We are a large U.S. insurance group with world wide interests. Expansion necessitates the appointment of a Resident Auditor—Europe to conduct financial and operational audits of the company's UK and Continental offices and subsidiaries.

The post will report to the Assistant General Auditor responsible for the property/casualty section. The duties will include development and maintenance of audit programmes; ensuring compliance with company policy and procedures; appraisal of internal controls; and recommending operating improvements.

Candidates will have at least 5 years' experience in auditing with emphasis on insurance or financial services companies, and probably a degree in business studies or economics. The post requires a high level of analytical and critical skill coupled with an ability to operate at all management levels. ACA and fluency in a European language in addition to English is highly desirable.

Location is flexible, and the remuneration package will be arranged according to individual circumstances.

Please reply in confidence giving concise personal and career details to:

Manager Internal Audit,
c/o 8, Lime Street, London, EC3.
Tel. No.: 01-626 9541.

BERMUDA

THE BERMUDA MONETARY AUTHORITY

ASSISTANT MANAGER — BANKING

Applications are invited from qualified accountants, preferably with banking experience. The work includes preparation of monthly accounts and management information, annual accounts, bank and deposit company statistics, investment portfolio management, feasibility studies, currency transactions and general administration of the affairs of the Authority.

Salary negotiable.

In the first instance telephone
01-801 4182

LAND AND PLANNING OFFICER

required to join a highly skilled team servicing members of the Housebuilders Federation in the North Western Region based in MANCHESTER.

Duties include assistance to individual members, participation in discussions with local authorities and statutory undertakers and servicing Federation Committees. In addition to ability to take initiatives, applicants should have a general appreciation of planning and associated legislation affecting estate development. A professional qualification an advantage and experience of the housebuilding industry essential. Age no barrier for the right person, there are good career prospects, attractive salary, car, excellent pension and insurance arrangements. Removal expenses considered.

Applications, within ten days, giving full details of career to date, age and salary required to:

The Assistant Director General,
NATIONAL FEDERATION OF BUILDERS' TRADES EMPLOYERS
82 New Cavendish Street, London W1M 8AD

RESEARCH ANALYST

£6,300

Merchant Bank

- To research into structure of 'companies' tax structure, appraisals on unquoted companies. Various international, home and foreign.
- Top English Merchant Bank.
- Not necessarily a graduate, but intelligent person with relevant background.
- A permanent, full-time position with an excellent employment package including mortgages subsidy.
- Please ring Roy Stockton, M. & J. Personnel Consultants, 01-638 1826/7, Grand Buildings, Trafalgar Square, WC2.

Group Financial Controller

Retailing & Manufacturing

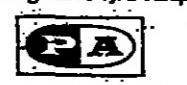
A profitable and expanding group requires an outstanding financial accountant. He or she will control the financial operations, with a combined turnover in excess of £20 million per annum. A prime duty will be to provide authoritative financial advice to senior executives. Candidates, aged 35 to 40, must be experienced in corporate financial planning and budgetary control procedures, and be accustomed to supervising the preparation of management and statutory

accounts in an EDP minded company. A.C.A. qualification, knowledge of the retail trade, and experience of manufacturing industries would all be advantageous. Initial remuneration is negotiable in the range £15,000—£18,000 plus car and other substantial benefits. Prospects include a directorship. Generous assistance is available with relocation to a part of West Central Scotland close to many amenities. (PA Personnel Services Ref: A450/8889/FT)

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

127 George Street, Edinburgh EH2 4JN. Telephone: 031-225 4481



A member of PA International



Hambros Bank

Eurobond Syndication Executive

We invite applications for an executive position in the Eurobond New Issue Syndication and Trading Department of our International Division.

The successful applicant, who will probably be aged between 27 and 35, will be thoroughly familiar with the techniques of syndicating new issues in the primary Eurobond market and servicing of institutional customers in the secondary market. He or she will join an experienced and expanding team, and the appointment will

provide considerable opportunity for career development and advancement within the International Division.

Salary, which will be negotiable but competitive, will depend on experience. Fringe benefits include non-contributory pension, BUPA and subsidised mortgage.

Please write in strict confidence, enclosing a concise curriculum vitae to: Mr. A. F. Brignall, Personnel Department, Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA.

Group Financial Controller (Designate)

London

c. £10,000 + car

The Edman Group operates a unique range of marketing communication services incorporating seven divisions and employing some 600 staff.

The Group is now looking to appoint a Senior Accountant—initially to take complete charge of the total accounting function for two divisions and—as soon as possible, to become deeply involved in the financial and accounting control of the Group.

This senior position, from which further advancement is expected, carries an excellent starting salary, company car, pension and life assurance schemes and the fringe benefits to be expected of a U.K. market-leader. Probably most important to the right candidate is an atmosphere of growth, challenge and profitability in which he/she can expand.

Write, in confidence, to R. Springall, Group Managing Director, Edman Group, 17-19 Maddox Street, London W1R 0EY.



EDMAN GROUP

LOANS OFFICER

AGE 28-40

c. £10,000

A respected and substantial International Bank seeks to appoint an ambitious executive to a senior role in an expanding Loans Department. The work involves the management of, or participation in, large-scale multi-currency syndicated loans.

The successful candidate will exhibit personal qualities of drive and ambition, allied to a technical background of at least 5 years' experience of this work, gained from within a recognised banking institution.

This is a finite career appointment, offering excellent prospects, and in addition to the basic salary, which is negotiable around the above figure, an impressive benefits package, including bonus, is incriminated.

Please telephone, in confidence, Brian Durham.

BANKING PERSONNEL

41/42 London Wall, London EC2. Telephone: 01-588 0781

(RECRUITMENT CONSULTANTS)



INBUCON

Accounting Opportunity in the Republic of Ireland c. £10,000 + car

One of the most exciting developments in Ireland's economy presents an opportunity for an of a large scale multi-national project.

As Budget Accountant you will occupy a vital position in the system of control of expenditure, which must include substantial Computer exposure in a commercial/industrial environment.

Location is a pleasant part of Southern Ireland and assistance can be given in relocation.

Send full cv in strict confidence to H. Ian Carlton,

INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Selection
Knightsbridge House, 197 Knightsbridge, London SW7 1RN. Telephone: 01-584 6171

City c. £7,000

Loans Administration Supervisor

Orion, a multi-national Investment Bank, requires a person to monitor and co-ordinate the activities of a young team of loan administrators in the Banking Department which manages a substantial loan portfolio of U.S.\$1.4 billion.

Candidates should be aged 35-40 years old, should possess a good academic background and a strong personality; they should be able to demonstrate proven experience in syndicated loans administration within an International Bank active in Eurocurrency lending.

The position offers opportunity for career progression and will interest persons currently in a responsible situation who wish to have a more challenging role, where their skills will be recognised and appreciated, in a dynamic Investment Bank.

First-class fringe benefits include preferential house loan facilities at 2.5% per annum, interest-free season ticket loan facilities, non-contributory pension, 7.5% L.V.'s daily, and, together with an attractive salary, reflect the importance of this position.

Applications which should be accompanied by a curriculum vitae, will be treated in strict confidence and should be addressed to:

The Personnel Manager,
Orion Bank Limited, 1 London Wall,
London EC2Y 5JX
Tel: 01-600 6222

ORION

MANAGER Banking Operations

The Royal Trust Company of Canada, a subsidiary of Canada's leading Trust Company, has an opportunity for a Banking Operations Manager with a minimum of 5 years relevant experience to head up its busy Loans and Sterling Money Market administration department.

This department, which currently has a staff of 10 people is responsible for processing the deals for our computerised accounting system and for providing detailed statistics. The Manager will be expected to be involved closely with the day to day running of the department and must be prepared to adapt to the demands of an expanding Company.

The successful candidate (male or female) should have a broad knowledge of money market transactions and experience in Foreign Exchange Settlements would be particularly useful.

A salary in excess of £9,000 p.a. is offered together with a comprehensive package of staff benefits which include mortgage assistance.

Please apply to the Personnel Manager, giving full details of how your experience to date meets our requirements.

THE ROYAL TRUST COMPANY OF CANADA,
Royal Trust House, 48-50 Cannon Street,
London, EC4N 6LD. Phone: 01-236 6044
(with effect from 14.5.1979)

ECONOMIST

TOOTAL LIMITED, one of the world's leading textile Groups, with sales of £400m well spread over the five continents, has a vacancy for a young graduate business Economist with at least two years experience, ideally in textiles, to assist with forecasting and planning for the profitable growth of the business.

The position is the focus for economic studies throughout the Group. Responsibilities will include advising management on the implications of economic change, financial and strategic evaluations, market research and the preparation of reports for the Board.

The salary and benefits will relate to the challenge of the job. Candidates should write giving brief relevant details of experience, age and present earnings to:

Group Appointments Manager

TOOTAL LIMITED
56 Oxford Street, Manchester M60 1HJ.

Young Property Finance Executive

We are looking for an enthusiastic and capable young man or woman to join our Mortgage and Property Finance Department in Holborn. The work covers all aspects of property finance - liaison with lawyers, surveyors, property development companies, local authorities, and dealing with the specialised documentation related to this field.

Applicants should be educated to degree standard. A knowledge of the job is not essential as full training will be given; but candidates must already have some experience relevant to one or more of the many facets involved, and be prepared to study for the appropriate exams.

The successful candidate can expect around £4,300 the first year, dependent on qualifications and experience. In addition to this there is a productivity bonus payment. Benefits include non-contributory pension scheme, and, after a qualifying period, consideration for low cost mortgage.

Full curriculum vitae to: Mrs S. Brandon, Staff Department, Prudential Assurance Co. Ltd., 142 Holborn Bars, London EC1N 2NH. Telephone: 01-405 9222, Ext. 2474.

Prudential

Managing Director**Light Engineering****East Anglia**

c. £20,000

The Company is an autonomous subsidiary of a diversified group, highly successful and a leader in its field.

Promotion of the existing M.D. to Group Chief Executive has created an exceptional opportunity for you to take full profit-responsibility, heading-up a dynamic and enthusiastic team of professional managers.

Between 35 and 45, you will have been trained to degree-level as an engineer and will have progressed, probably in a large US company, environment, via Sales and Marketing into a commercial or business management role having acquired strong financial discipline en route. You will be able to prove an outstanding track record with progression gained through personal achievement, this move representing your logical next step.

You will be a work orientated individual with a strong personality and good "presence" capable of negotiating at top level in international markets, with banks and Government agencies.

The benefits will reflect the key nature of this position and include profit participation, motor car and generous re-location assistance if required.

Please apply giving a brief career summary in your own handwriting quoting Reference 2378 to Mann Management, 124 New Bond Street, London W1.

MANN
MANAGEMENT

MANAGER CORPORATE FINANCE & FORECAST

Starting Salary £12,400 pa Tax Free

The successful applicant will be required to recommend, plan and implement policies and procedures for forecasting Corporate financing requirements.

Duties will also include:

- Implementation of procedures to determine cash requirements using Divisional information.
- Developing lines of credit and obtaining loan agreements for use on short term financing needs and long term capital expansion.
- Forecasting availability of excess cash and recommending short term investments.

Applicants should possess a University Degree with at least 5 years related experience, and have had previous airline supervisory/management experience involving cash management and forecasting.

This post, open to men between the ages of 25-45, is offered on a two year renewable contract, together with free accommodation, free and reduced rate air tickets for you and your family, 40 calendar days vacation, plus relocation allowance.

Please write giving full personal and career details, quoting job title and department number to:

Area Personnel Manager - Europe,
Department 14/3
Saudi Arabian Airlines,
508/510, Chiswick High Road,
London W4 5SQ.

Closing date: 24th May, 1979

APPOINTMENT OF SUPERINTENDENT OF PILOTAGE

The Papua New Guinea Harbours Board invites applications for the position of superintendent of pilotage to be based at Port Moresby. He will be required to travel extensively throughout Papua New Guinea.

The appointee will be responsible to the general manager for administration of the pilotage service covering the 16 ports under the control of the Harbours Board.

He will be responsible for all matters associated with navigation, communications, navaids, the control of the licensing system, 12 licensed pilots and 6 pilot launches. A prime responsibility will be the training of national pilots.

The initial contract will be for a period of three years and conditions of service will be those applicable to level 10 in government service. Salary will be Kina 15,575 per annum. Present exchange rates: Kina 1.00 equals £1.25, US \$1.38. Plus 10 percent special allowance, plus gratuity payable partly throughout the contract and partly on completion of contract at the rate of 24% of salary earned and of this only 5% will be subject to income tax. Free accommodation with hard furnishings provided.

Recreational leave 6 weeks per annum taken after 18 months service. Free flight to wife and family to city of engagement. Such leave 120 days per 3 years.

School fees: 75% of school fees paid up to maximum of K2,400 per child per annum with fares paid twice per annum.

Present Income tax on a salary of K15,575 for married officer with two children is K3,424 per annum.

Applicants must be English speaking, physically fit, have had previous pilotage experience and administrative ability. To have served in a developing country would be an advantage.

Applications should be addressed to the:

GENERAL MANAGER,
PAPUA NEW GUINEA HARBOURS BOARD,
P.O. Box 671,
PORT MORESBY, PAPUA NEW GUINEA.

Closing date is 31st May, 1979.

INVESTMENT ANALYST

Age: 23-32

As a result of expansion within our Investment Management Services Department we are looking for an additional Investment Analyst.

This challenging position will offer variety, and appeal particularly to young graduates familiar with non-U.K. bond and stock markets and able to undertake a full range of economic/investment studies. Applications from non-graduates with relevant experience will, however, be equally welcome. Knowledge of a major foreign language is also desirable, though not essential.

A competitive salary is offered plus valuable fringe benefits which include a non-contributory pension scheme, mortgage and loan facilities.

Please telephone or write for an application form to Jeffrey Brazier, 01-248 9222, Ext. 338.

LLOYDS BANK INTERNATIONAL

40-66 Queen Victoria Street, London EC4P 4EL
A member of the Lloyds Bank Group.

SENIOR PENSIONS ADMINISTRATOR BOURNEMOUTH

Gresham Life, established since 1848 and a member of the Rothschild Group, have a vacancy in the Pensions Department for a man or woman who is highly experienced in pensions administration. He or she must be well versed in both old and new code schemes, having sound experience in pensions documentation and a working knowledge of negotiating with the Inland Revenue.

This is an ideal opportunity for someone looking to take on more responsibility with a progressive company. However, we will also consider applic-

cations from people approaching retirement who are looking for employment of three to five years.

We offer an excellent remuneration package and in particular:

- a highly competitive salary
- generous staff mortgage scheme and relocation expenses
- a non-contributory pension scheme including free life and sickness assurance
- 25 days' holiday per annum

Gresham Life
ESTABLISHED 1848

Write or phone:
Richard Garrard, Manager (Personnel)
Gresham Life Assurance Society Limited
PO Box 1
2-6 Prince of Wales Road
Bournemouth BH4 9HD
Tel: 0202 767655 Ext 208

Audit/Consultancy and Taxation UK & Europe

Our client, an international manufacturing company, has three openings within its central London based team which provides consultancy, audit and taxation services to subsidiaries in the UK and Continental Europe.

Audit/Consultancy

Candidates who may be fully or part qualified accountants and/or business graduates should be capable of adapting quickly to a variety of business situations and making significant contributions to administrative performance.

For the first year, up to 60% of assignments will be carried out at their French locations. For one position a recently qualified accountant with fluent French would be preferred. Successful applicants will have the opportunity to gain extensive experience of group operations and should be well placed to move into financial and line management positions.

Attractive starting salaries will be offered in line with age and experience, up to £7,500 plus car, with a further salary review after a six month probationary period.

Taxation

This opportunity should appeal to those who wish to develop their interest in corporate taxation. It is envisaged that approximately 75% of time will be spent on tax matters for the UK group including responsibility for the preparation and agreement of tax computations.

The remaining time will be devoted to audit and special assignment work. Candidates may be newly qualified accountants but might possibly come from the Inland Revenue Service or other suitable backgrounds.

Prospects for further advancement within the Group are excellent.

A salary of up to £7,000 will be offered with a review after a six month probationary period.

PERSONNEL ADVERTISING LIMITED

Write in the first instance giving brief career details to Brian Page, Personnel Advertising Limited, 22 Red Lion Street, London WC1R 4PX. Please state any companies to which your application should not be sent and quote ref. GRS 532.

ROWE & PITMAN

We are seeking an experienced (minimum five years) Fixed Interest Salesman to take overall responsibility for our Fixed Interest Department.

The Department currently offers a full service in all sectors of the Fixed Interest market to institutional clients. Advising the Firm's Corporate Finance Department is also an important part of its function.

A competitive salary is being offered together with a profit-sharing bonus scheme and non-contributory pension scheme incorporating good life cover.

Applications in confidence with full curriculum vitae to:

P. N. Smith, Esq., Staff Manager,
MESSRS. ROWE & PITMAN,
1st Floor, City-Gate House,
39-45 Finsbury Square, London EC2A 1JA.

TAXATION EDITOR

TO £15,000

Senior Taxation Editor needed for two well established, successful newsletters in the field of International Tax. This is an immensely challenging position, involving commissioning, writing and editing. Considerable contact with writers and contributors is an important part of the job.

There will also be an involvement in our world-wide international tax conferences. This will include planning topics and advising on programmes.

A very high editorial quality is maintained, so substantial experience in taxation is necessary. Ability to write and make involved taxation matters comprehensible is also important.

Please write with curriculum vitae to:

Irvine Laidlaw
Institute for International Research
70 Warren Street, London W1P 5PA

ROWE & PITMAN**Senior Analyst—Oil Sector**

Rowe & Pitman is seeking a senior Analyst to lead and develop its present research capability in oil shares. This is an important position and would be attractive to a candidate in the financial community with the appropriate experience.

A competitive salary is being offered together with a profit-sharing bonus scheme and non-contributory pension scheme incorporating good life cover.

Applications in confidence with full curriculum vitae to:

P. N. Smith, Esq., Staff Manager,
MESSRS. ROWE & PITMAN,
1st Floor, City-Gate House,
39-45 Finsbury Square, London EC2A 1JA.

Financial Analysts & Cost Accountants Electronics London to £7500

Whether you have just decided on a career in finance or have already gained some experience and collected some letters after your name, wouldn't your best career move be to a major international group, a leader in its varied fields?

Our client's expanding business has created new openings offering the chance to be involved in the development of advanced high technology products, using computer based accounting systems. The vacancies occur at Central

Office and at Divisional level and are open

to numerate graduates and/or foundation students, part qualified and experienced qualified accountants.

Whatever the level, they will provide the kind of experience that can only be found in a top-flight industrial group, an attractive salary, and an unusually wide range of benefits and opportunities to progress.

For further details call
Jane Woodward on 01-628 2689

or 638 2158, or write to

The Personnel People,
18th Floor,
St. Alpheus House,
2 Fore Street,
London EC2Y 5DA

The Personnel People
The Personnel Consultants in
London, Hartford, Birmingham,
Glasgow, Brussels, Dusseldorf.



£6,000**accountancy appointments****£9,000****Group Financial Accountant**

The Charterhouse Group is an investment and banking group with shareholders' funds of £60 million and capital employed of £100 million. It comprises a merchant bank, development capital companies and a considerable number of other financial and industrial concerns. This diversity will give considerable interest for the Accountant whose key task will be the consolidation of annual, quarterly and monthly accounts.

The role offers an unusual opportunity to gain experience of a broad range of complex accounting problems in a group with UK and overseas interests. There will also be opportunities for involvement in taxation, acquisitions and disposals.

Candidates, probably in their mid to late 20's, will have had two to three years' post qualification experience, ideally in both the profession and industry. Some experience of data processing and corporate taxation would be useful.

The job carries a most attractive remuneration package, including a salary of around £8,000 per annum.

Assistance with relocation costs will be provided, where appropriate.

Please write with full details to: Peter Wallum, Group Personnel Adviser, The Charterhouse Group Limited, 1 Paternoster Row, St. Paul's, London EC4M 7DH.

CHARTERHOUSE**Corporate Accountant****Based W. London****£7,000—£9,000+car**

ARA Services - the largest global service management organisation, with a worldwide turnover in excess of \$2 billion, is seeking a qualified Chartered or Certified Accountant, 24-29, to strengthen their compact European HQ team.

Reporting to the Assistant Vice President-Finance, the successful candidate will assume a dual role:-

as a management accountant: reviewing European performances and investment appraisals

as a field accountant: training local staff, reviewing procedures, information processing and treasury systems; also involvement with acquisition investigations and tax planning

The position would appeal to professional seniors with large company audit experience who possess the skill, tact and tenacity to succeed in a multi-national environment. Success in this post could lead to a Controllership or similar position.

Please write briefly or telephone for an application form, quoting reference 596

Management Personnel

Recruitment Selection & Advertising Consultants
York House Chertsey Street Guildford Surrey

GUILDFORD 0483 64857**FINANCING ASSISTANTS****London up to £6214**

Two vacancies have arisen in the Financing Manager's Department at High Holborn, a young professional team managing the finances of British Gas. The duties of one post will include the administration of the Corporation's leasing programme, and assistance with the evaluation of policy and planning proposals and the development of computerised systems. The duties of the second post will cover the administration of the Corporation's foreign currency implications, and administration of overseas borrowings.

Both posts, while involving a core of administrative duties, offer the opportunity to participate in a range of aspects of Treasury work. This will appeal to persons who are methodical and who already have some general administrative or accountancy experience. Postholders will be required to work with a minimum of supervision.

Applicants should be either part qualified accountants or have 'A' levels in at least one numerate discipline.

Salary will be in range £5335-£6214 inclusive of Inner London Weighting plus current self-financing productivity payment plus the benefits normally associated with a large progressive organisation.

Please write with full details of age, qualifications, experience, current salary, quoting reference F.002 to the Senior Personnel Officer, (London), British Gas, 59 Bryanston Street, London W1A 2AZ. Closing date for applications May 22.

BRITISH GAS**FINANCING MANAGER****European Group Treasury****C. £8000**

The Group Treasury Office of Hertz Europe Limited requires a Financing Manager, male or female, to join our small professional team based at Isleworth.

The Financing Manager will play an active role in the total treasury operation, with a wide brief covering the establishment of financing plans, optimal utilisation of credit lines and cash resources, limiting FX exposure, compliance with EC regulations and administering the department's records and systems.

You will have gained relevant experience in the corporate treasury or banking fields and have reached the stage where you are ready for broader responsibilities in a fast moving environment, involving some European travel.

We are offering a starting salary in the region of £8000 plus the usual benefits associated with an international company.

Please write with full career details to Ms. Wanda Skinner, Manager Recruitment & Benefits, Hertz Europe Limited, Isleworth House, Great West Road, Isleworth, Middlesex TW7 5JF.

YOUNG CHARTERED ACCOUNTANT
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1. To receive the Audited Statement of Profit and Loss and Balance Sheet for the year ended 31st December 1978, and declare dividends.

2. To re-elect Mr. Daniel Rosenblatt as a director.

3. To elect Mr. Meir Bernhard Glizer as a director.

4. To elect Mr. Dan Tolokovsky as a director.

5. To re-elect Mr. Shlomo Lahat as a director.

6. To re-elect Mr. Stephen Shamir as a director.

7. To re-elect Mr. Norman Merkin as a director.

8. To re-elect Mr. Joseph Mervishoff as a director.

9. To re-elect Mr. Raphael Racovert as a director.

10. To elect Mr. Victor Carter as a director.

11. To appoint Auditors and to their remuneration.

12. To appoint Mr. Arje Caras as a director.

13. To confer a bonus on the Board.

14. To authorise the Directors, that at any time during the year, to issue shares or debentures or to increase any of the existing share capital by the amount of the undrawn portion of the loan or by any other means.

15. To authorise the Directors to make any other resolutions as they may think fit.

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FINANCIAL TIMES

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Thursday May 10 1979

Value of the dialogue

THERE IS more to be got out of negotiations between industrialised and developing nations than the heated rhetorical exchanges that have marked the opening sessions of the fifth United Nations Conference on Trade and Development (UNCTAD) in Manila would suggest. President Marcos as host to the meeting voiced the exasperation of a great many of the poorer nations that more progress has not been made since the last UNCTAD jamboree in Nairobi towards restructuring the world's economy to the advantage of the poor.

But the expectations that were aroused then of substantial transfers of wealth—and the fears in the west that developing nations might actually have the clout to secure them—were forged in the special circumstances of the four-fold increase in oil prices of 1973/74 and of the commodity boom.

To pursue them now against the tide of a slowdown in the world economies is wishful thinking. A good many of the Latin American and South East Asian countries are aware of this and see much more to be gained through bilateral diplomacy or in the quieter corners of specialised negotiations.

Progress

Much of the progress that has been achieved in discussions between north and south over the last four years has been over-complex technical issues. There was a reminder of the importance of these on Tuesday when the EEC agreed to ratify the proposed liner code that will give developing nations a larger share of non-bulk cargo shipping. Western nations were at first inclined to shrug off the demands of the third world for a greater share in cargo traffic. But it is an area in which they had the power to press their claims and in which concrete negotiations were possible.

Developing nations are similarly pressing for—and may well get—a code establishing guidelines for the operations of transnationals in their territories. This is also an area of negotiation that falls under UNCTAD as does a proposed code on the transfer of technology. Some progress has also been achieved in the UNCTAD negotiations towards setting up associations of producers and consumers to stabilise the market for commodities such as sugar, wheat, rubber, copper and tea.

Backing public transport

A SILLY IDEA can be quite an effective attention-getter for a serious problem, and Mr. Ralph Bennett, the chairman of London Transport, may well have realised this when he called in his annual report for tax concessions to encourage travel by bus. The idea of tax returns accompanied by crumpled bundles of used bus tickets is laughable, but the problems of mass transit, though they have grown stale with familiarity, are nevertheless important, and baffle the authorities in large cities everywhere.

Investment

The public transport lobby is also mounting a renewed assault on public opinion based on the threat of energy shortage. These two arguments restate in fashionably appealing terms the basic claims which the lobby has always tried to establish: subsidy and long-term investment.

The real case which can be made for public support for public transport rests upon more complex and rather less glorious facts. It relies on three points: the need to ration limited road space; the contrasted economics of public and private transport; and the possibility that the benefit conferred by the subsidy may outweigh the cost.

The road-space argument needs little elaboration. Where it is really pressing, it can be met largely by non-economic means.

Authorities in other countries have often been more willing to restrict the scope for the private car, where congestion is a problem, by banning access to certain streets or areas, by reserving lanes for public transport, or by road pricing.

This is a balance which can only be struck pragmatically. The case for restricting cars rests purely on actual congestion. Where road space is adequate, there is no case at all for penal restrictions simply to protect the revenues of the public transport system. One can only concede here to Mr. Bennett that there may be a case for reviewing present restrictions, and for repeating that review as the car population grows.

Agreement over such individual commodity associations will probably have more impact in the long run on what producers get and what consumers pay for primary products than the setting up of the Common Fund which for so long was a stumbling block in relations between north and south. As now conceived, the Common Fund will have a minimal role in the world's commodity markets or as an aid institution to commodity producers.

Unrealistic

Many Western governments would like to see the UNCTAD negotiations confined to such mundane issues. This is as unrealistic as the ambitions of some developing nations.

UNCTAD has developed as the multilateral institution that the Third World can most call its own. Its four-yearly conferences are as much part of the UN calendar as are meetings of the General Assembly. As in the UN Assembly, the Third World feels that there is value and strength in standing together and putting pressure on the rich. Clumsy and ill-suited it may be as a forum for discussing major international economic issues, but it is there to stay.

Developing nations have focused their attack in the opening sessions of this conference on the growth of protectionism in the west and at the failure of western governments to live up to previous commitments on larger flows of aid. These are familiar complaints. But what has changed even in the last four years is that there is a growing interdependence between north and south.

Interdependence

Industrialised nations are selling more goods to developing countries partly because the developing countries have borrowed heavily on the international markets to sustain their level of growth. Developing nations have need of access to western markets for their manufactured goods if they are to repay their debts.

At a time of prolonged slowdown in the world economies it is the more important that this interdependence should grow.

In patience with some of the more outrageous of third world demands may at times give way to despair that the dialogue between north and south is no longer worth the bother. But it is far better to keep up the talking than to break it off, as Studebaker and Packard were obliged to do.

His leadership has also brought much more fair and imagination to the management of Ford than is generally associated with the more bureaucratic caution developed at General Motors under its legendary chairman of the 1930s and 1940s Mr. Alfred P. Sloan.

Mr. Ford says he plans to give up the chairmanship in the next nine months or so but will remain "an employee" until his 65th birthday in 1982. The intriguing question is why he should elect nominally to quit

the driving seat at a time when of speed to challenge Mr. Iacocca's hopes of crowning 32 years with the company by a move into the most important operating slot.

But in the following 12 months something went badly wrong between at least two of the three members of the chief executive's office who were supposed to share "decision-making responsibilities covering the full range of corporate activities and interests."

Mr. Iacocca, for whom the words "flamboyant" and "hard-driving" might have been invented, suddenly found early last June that Mr. Ford, who had given, was now taking away.

The three-man Office of the Chief Executive was expanded into four with the addition of 53-year-old Mr. William Clay Ford, Henry's younger brother who had not previously featured as anybody's tip for the top.

Henry Ford insists that the company does not have to be run by a member of the family but that it is "appropriate" for a Ford to be in senior management.

The world is reluctant to accept him at his word.

The first move in this direction came in April 1977 when, after a study by McKinsey and Company, he created the Office of the Chief Executive. This, he said, was "designed to pave the way for a natural and smooth management transition at an appropriate time." It was not stressed the chairman, a plan for an immediate succession since he intended to serve as chairman and chief executive for the next three years and "afterwards as chairman until my 65th birthday." There were two other members of the office: Mr. Lee Iacocca, then president but also designated chief operating officer, and Mr. Philip Caldwell, who leapt from executive vice-president for international automotive operations to vice-chairman of the company.

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Mr. Iacocca, for whom the words "flamboyant" and "hard-driving" might have been invented, suddenly found early last June that Mr. Ford, who had given, was now taking away.

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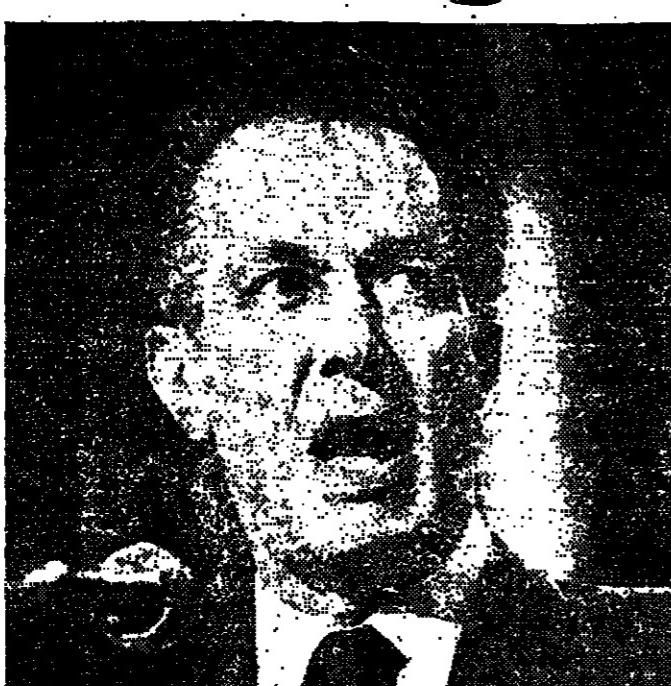
ECONOMIC VIEWPOINT

A message from Dizzy to Sir Keith

IT WAS PERHAPS the ablest of all Tories, Benjamin Disraeli, who accused his most famous opponent of being "intoxicated with the exuberance of his own verbosity." In the century that has followed the Conservatives have normally liked to think of themselves as practical, clear-sighted men. It is their opponents who are doctrinaire, they like to tell us. Yet we have just suffered an election campaign in which all the rhetoric, not to mention the verse, came from the Tories, and one is left with a nagging doubt.

The doubt which has afflicted even the highest of Tories concerns the basic thought behind much of Mrs. Thatcher's new direction: that Britain is a nation of frustrated entrepreneurial tigers, roaring for liberation from taxes, price control and Quangos. Remembering again the century which has elapsed since Disraeli made his crack one wonders, it has been a century of almost continuous relative economic decline, under varying forms of government.

What Mr. Peregrine Worsthorne has asked, if the cage should prove to be full of rabbits? The truth, in financial terms at any rate, is not altogether unlike Mr. Worsthorne's nightmare. The great majority of the people with big money to handle are institutional fund managers and building society directors. The real world is not full of tigers and zoo-keepers; it is full of good, grey men, in and out of Whitehall. In this real world, dogmatic solutions don't seem to fit as Mr. David Steel and now Sir Leslie Murphy have pleaded with some force. In the myth, the public sector is characteristically cautious but silly, the private sector bold and successful; but in fact one can shuffle these six adjectives in almost any combination. Bold and silly describes equally Burmese or the hovercraft pro-



From the pragmatic Disraeli (right) to Sir Keith



Joseph, Industry Secretary: the pitfalls of doctrine

ject; cautious and silly, BL or Polish ships. Cautious and successful: GEC, Post Office telecommunications. Bold and successful: BP, publicly backed ICL, British Gas, Sir Freddie Laker.

The fact is that while everyone from Mrs. Thatcher to Mr. Anthony Wedgwood Benn now seems united in praise of the potential merit of small business, there is little evidence that the more ownership of large enterprises is a very important question: what does matter is how they are managed and how they are financed. With these facts in mind, and never forgetting those good grey fund managers, one can imagine the message that the pragmatic Disraeli (who was capable of a bold stroke of public spending on his day)

means uneconomic pricing disrupted investment programmes, underpaid management and politicised wage bargaining; so any steering mechanism provided should be rather remote—an idea which challenges another doctrine of the moment, that while bureaucracy is bad, Quangos are worse. They may be better.

The itch to interfere is not just a matter of dogma, however: it springs from two other wretched facts about the public sector.

First, many public industries are natural or contrived monopolies. Contrived monopolies can be opened up to competition with good results, as witness the way Securicor has livened up the express postal service, even under a Labour government, and this process

can well be taken further. Why should the Post Office, again have a near-monopoly of the equipment you can attach to your telephone line? But why, equally, should it not be allowed to compete in this market? Much loosening-up should be possible on these lines.

It is always a question, however, whether public bodies make fair competitors; for they are financed in quite a different way from their private opposite numbers. This may look like a privilege from the outside, but like a millstone from the inside: although finance is sometimes available more readily to the public sector than to private bodies, its cost is often excessive. The Government borrows for the public sector on terms no private concern would contemplate, a burden shared between taxpayers

customers and the industries concerned. The financing problem provides one of the most cogent arguments possible for reorganising the public sector. The results could be so helpful that no Labour successor in the future would dare to try to reverse the change.

We are back, then, with the fund managers; because they have to finance the show, the solution should be one which suits their needs, as well perhaps as those of other investors. It is abundantly clear from recent history that an almost undiluted diet of fixed interest stock does not suit their needs; that is why the coupon has inexorably been pushed so high, until recent issues will show a real return of 7 or 8 per cent if everyone's anti-inflation objectives are achieved in a reasonable time. This may be a price worth paying for anti-inflationary success, but it is unnecessary.

Fund managers have to provide against obligations in terms of pensions and insurance claims, which are related to real values; and the yawning reverse yield gap shows how strongly they prefer assets which have even whiff of real values to them, despite equity squeeze and dividend controls.

The public sector deals in commodities and services which have some of the most secure real values that could readily be imagined—energy, transport, communications—and includes some notable growth markets. No issuing house worth the name would have any difficulty in devising financial assets which reflected these real values in some way. The range could stretch from equity participation, through bonds denominated in a commodity such as those issued by the

French electrical utility to my own half-serious idea of long-term season tickets.

If the advantages here are worth gaining, it is clear that in one sense Sir Keith has been given far too narrow a brief: refinancing the public sector need not be restricted to the dog-eared little sales catalogue in the Tory manifesto, but could embrace some of the biggest enterprises in the economy. The advantages seem to me enormous.

If it is accepted that dictation is bad and choice is good, then a financial revolution suggests itself, which would do more to restore influence to the market place than selling off the holdings of ten NEBs. The financial logic also suggests a profound structural change: that a move from plain State capitalism to something vaguely akin to the U.S. public utility system would have great advantages.

This general rubric could cover a multitude of solutions, from profit-making utilities, or BP solutions, through independently financed State services to co-operatives (a lively enough possibility for the coal industry to have aroused premature thunder from Mr. Arthur Scargill). Their supervision could be based on Quangos, on government departments, on Parliamentary committees or simply on the law. The idea is the starting point for a programme which could involve more than a full Parliament—but with a luck, the Conservatives will have more than a full Parliament carry it out. Admittedly, the whole topic was hardly mentioned in the manifesto. But trouble with election rhetoric is not that it is exuberant and in lead to incoherent silliness. It is that it is narrow, and inhibit the large changes which reality demands.

Anthony Harris

Letters to the Editor

Accountants differ

From Mr. B. Waters.
Sir—Mr. Beecham (April 30) suggests that there are really three accountancy professions—the big audit firms, the smaller practising firms and the accountants in industry. Personally, I think it would be a great pity if the profession were to fragment in this way. We should be moving in the opposite direction, towards fuller integration of the consultative committee of accountancy bodies, which together represent nearly 90 per cent of qualified accountants in the UK.

On the other hand, there is no doubt that smaller practising firms and industrial and public sector accountants have had less influence on the development of the profession in recent years than have the ten or so larger audit firms. The resources of the big firms and the fact that they audit the majority of large companies have led inevitably to their playing a major role in the standards setting process.

While I believe that the threat of a Government takeover of the profession has been exaggerated, I do believe we should not be complacent about the state of accountancy in the UK. One important reform is to pay more attention to the views of accountants in industry, local government and the smaller firms. We must find a way to do this, even though accountants outside the bigger firms are often less able to devote time to professional activities.

The Accounting Standards Committee has recently taken steps to improve its consultative procedures. While the Society of Accountants and Commercial Contractors is not affiliated to ACCA, the ASC would surely come submissions on proposed accounting standards from the society or indeed any other representative body.

Instead of dividing the profession, we should be trying to cure the causes of our divisions. More consultation on standards is one urgent remedy. Another is to remove the statutory audit requirement for small companies, replacing it with an audit review and less onerous disclosure requirements—and therefore fewer problems with those accounting standards which are aimed primarily at large public companies.

Far from removing the bread and butter from the mouths of the small practitioner, I believe that such a change would lead to a more positive involvement by accountants in the small business sector. Let's face it, most small companies rather resent the statutory audit, while they are happy to pay for good professional advice on other financial matters.

In the discussion about the structure of the accountancy profession, little has been said about the users of accountancy services. Accountants, whether they work in an industrial company, in a large firm of auditors or in a small practice, serve the business community at large. They face different problems but their tools of the trade are fundamentally the same. Instead of being divided into separate compartments, the different branches of accounting skill should be brought more closely together, thus creating a degree of synergy in the amount of professional expertise that is available to the business community and to government. A united profession provides the best way both to meet the needs of the

market and to develop common standards for accounting, auditing and reporting. Anything that we do to improve our profession must be market led, i.e. in the interests of the user of our services, and must surely not come about out of any fear of what government may or may not do.

B. W. Waters.
*The Chequers,
Priston,
Hitchin, Herts.*

Where salaries come from

From Mrs. N. Ings

Sir—John Holden writes, apropos Mrs. Isherwood's letter about teachers' salaries: "No member of the Isherwood family makes any contribution towards mine." (May 5). Whence, then, does he think the money comes to pay his salary? Does he not realise that we all, including the Isherwoods, help to pay it through the prices we pay for the goods or services he helps to produce, and it is by no means certain that these prices are reasonable and fair? They could be unnecessarily high in order to provide fringe benefits to people like John Holden, such as company cars and cheap loans for housing, education, etc.

For too long now we, that is UK Ltd., have been debating the problems of the manufacturing industry, it is recognised that education and training for industry requires a fundamental re-assessment. No doubt the Finniston Report (unfortunately now not to be published until the autumn) will take account of the need for change, but why do so many assume that the magnitude of provision for production equates with adequacy in terms of standards and performance?

Let us stop burying our heads in the sand, accept the need for improved standards, the possible reduction in membership and focus on the national need rather than adopt an insular retentionalist institution view.

K. Swann.
*Hilton House,
Hilton Street, Manchester.*

The crumbling of apartheid

From Dr. R. Horlett

Sir—Your correspondent's report on Mozambique's economy (May 2) is of great interest and even more significance. He notes a drive by the Maputo Government to revive South African rail-shipping traffic through the ports of Mozambique. President Machel's communist republic in short is driven by the same compulsive interaction between capital and labour that led Lord Milner, arriving in Pretoria at the successful conclusion of the Anglo-Boer War, to re-establish the "modus vivendi" that guaranteed Mozambique's ports fifty per cent of the Transvaal mining economy's-generated trade in return for Mozambique's mineworkers from Mozambique.

The Anglo-Boer War had its origins, as much as any other factors, in the rail-customs market-share of the Transvaal Republic's trade by the colonial Cape and Natal and Portuguese Mozambique. Milner to his consternation found it impossible to secure for the Cape and Natal governments the one hundred per cent of rail-shipping business of the Transvaal to the exclusion of Mozambique, because the African mineworkers from Mozambique were critical to the Rand (the Chinese labour indentured having to be repatriated by the insistence of Asquith's Liberals).

The significance of this is that the location of intensive and sophisticated capital investments and negative African labour productivity is such as to override all ideologies. Within the Republic of South Africa it makes a "nonsense" of any "federal" (or confederal) solution to apartheid.

Recent publication of the British Institute of Management report, "The career development of the production manager in British industry," is therefore very timely. Although it contains little new evidence it does add more

to the BIM report can be criticised in terms of its sample size and the depth of the study. Perhaps it would have been more informative for professional institutions if a closer study was made of the content, relevance and standards of education and training programmes.

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P. S. W. Daw.
*30 Han Chong Building,
Queens Road Central,
Hong Kong.*

Hong Kong outlook

From the Managing Director, N. P. Wardham and Co.

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P. S. W. Daw.
*30 Han Chong Building,
Queens Road Central,
Hong Kong.*

Foot and mouth disease

From the Chief Veterinary Officer, Ministry of Agriculture, Fisheries and Food

Sir—I refer to the interesting article by Christopher Parkes (April 5) on poultry "plague" and the activities of the European Commission for the Control of Foot and Mouth Disease.

The Commission, at its 23rd

general session in Rome

discussed the international trade in animal products and the trade of Europe of game meat from Africa. The context was the degree of control at the "free ports" in Europe and of customs bonded products of animal origin generally. Some red meat from cattle, sheep and pigs, and meat from African antelope species, appears to be on offer in Europe by entrepreneurs, and associated with incomplete documentation or false veterinary certification.

Dr. Dragomos, the chief veterinary officer for Greece, expressed anxiety about this trade as it posed a particular problem for Greece, which has to import large quantities of beef. At no time at the 23rd session of the Commission was Greece identified as the source where misleading certification was taking place. The delegates of the 23 member countries of the Commission were asked to review the situation at national level and to report back to the Commission.

A. C. L. Brown
*(Chairman,
European Commission for the
Control of Foot and Mouth
Disease).*

Hook Rise South,
Tolworth, Surbiton, Surrey.

GENERAL
UK: Mr. Jack Lynch, Irish Prime Minister, pays courtesy call to Mrs. Margaret Thatcher.

Germany: Helmut Schmidt, West German Chancellor, starts two-day visit to UK.

St. David McVee, Metropolitan Police Commissioner, opens European police conference, London.

Inaugural meeting of Association of Corporate Treasurers, Plaisterers' Hall, London. Speakers include Sir Jasper Holloway, Bank of England deputy governor, and Mr. Alan Clements, ICI financial director, the Association's first president.

China cannot rely on its own bootstraps to make the now gargantuan leap forward it wants to make. But with the Great Wall of China ever a tourist attraction, Hong Kong could, among other things, become China's Wall Street.

P. S. W. Daw.
*30 Han Chong Building,
Queens Road Central,
Hong Kong.*

Today's Events

in Saskatchewan, Canada, to discuss new International Wheat Agreement.

President Carter meets Panamanian President Aristides Royo in Washington to discuss progress of Panama Canal Treaty.

European Parliament in session, Luxembourg (until May 11).

OFFICIAL STATISTICS

CBI Industrial Trends Survey (April). Finished steel consumption and stock changes (1st quarter provisional). Provisional figures of vehicle production (April). Central Government transactions (including borrowing requirement) for April.

COMPANY MEETINGS
See Company News on page

COMPANY RESULTS

Final dividends: Atlas Electric and General Trust, Berkely Hamble Property Company, Cartiers Superfoods, Holt Lloyds, Marshall's Universal, Sanjour, Marshall and Campion, Selincourt, H. C. Slingsby, Francis Summer (Holdings), Usher-Walker. Interim dividends: Davenports Brewery (Holdings), Lloyds and Scottish, Warner Estate Holdings, Wood Hall Trust. Interim figures: Royal Insurance Company, first-quarter figures.

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Stock market fluctuations

From Mr. P. Richards

Sir—Mr. Friedlander (May 2) disputes that Chartism is not futile and considers it to be a means of comprehending stock market fluctuation.

The evidence available clearly demonstrates that the study of charts to forecast the future price movement is futile. In fact, Chartism has no theoretical foundation so it is not entirely surprising that it does not work in practice.

We are all aware that the stock market goes up and down as do random numbers. But this does not prove Chartism works on the stock market any more than it works on random numbers.

Paul H. Richards,
22 Nicholas Road,
Eisbree, Herts.

AUSTIN REED

member of NATU

But it called for Holland

centres.

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Sears sales top £1bn and profits leap 39pc

A 39 per cent jump in taxable profits is announced by Sears Holdings, the group which takes in stores, footwear, engineering and betting offices. Sales for the first time topped £1bn.

The pre-tax surplus for the year to January 31, 1978, advanced from £68.5m to £91.1m on turnover which rose just over 12 per cent to £1.1bn.

At halfway the group recorded a 72 per cent increase in pre-tax profits—from £18.5m to £31.9m. The directors then said the midway results should not be taken as a guide to the whole year because some of the group's activities were seasonal.

The Board says that all operations, except department stores, increased profits in the full year. The footwear side was the most buoyant with a 37 per cent jump in trading profits to £56.8m.

The engineering division staged a turnaround from a loss of £1.2m to £882,000 profit. The betting office side also showed a marked improvement with a 25.2 per cent rise from £5.6m to £14.2m. In the other areas, hire, industrial laundries and automotive distribution made further progress with a turnaround from £1.3m loss to £1.8m profits. The loss in 1978-77 was £9.3m.

The Board adds that the trading operations now represent more than 80 per cent of trading profits.

After tax of £48.6m (£36.5m), an extraordinary debit last time of £3.5m for the disposal of Highlander in the U.S., minorities of £76.3m (£73.1m) and preference dividends of £157.00 again, there is a big increase in profits attributable to shareholders. The figure is boosted by 68.5 per cent to £11.85m.

The final dividend of 94p per 25p share lifts the net total from an adjusted £29p to 1.44p. Stated earnings per share are up from 2.7p to 4.6p after the extraordinary item, and from 3.1p to 4.6p, excluding it.

There are non-trading profits of £1.4m against £1.8m. These are after exchange losses of £880,000, compared with £1.6m.

Chairman Leonard Sainer said results for the first quarter of this year appeared "satisfactory".

Another increase in profits looks on the cards for the shoe operations, with volume running some 10 per cent up on last year.

Turnover of the department store operations had shown an improvement and the engineering and motor vehicle sides were also improving. But the betting shop operations were hit by the

HIGHLIGHTS

Lex looks at the poor set of Banking figures for April which highlights the monetary pressures facing the new Government. On the company front Standard Chartered has produced the long expected rights issue following the recent finalisation of the Union Bancorp of California purchase. Sears' profits are up by 39 per cent thanks to a sharp improvement from footwear retailing. Sainsbury has enjoyed bumper volume growth but a poor final quarter, due to the winter's disputes and weather problems, has taken the edge off what are still very good figures. Finally Lourdes has succeeded in winning control of SUITS by slightly improving the terms of its offer. Elsewhere, London and Northern produces profits higher by 84 per cent and restores the dividend, but the share price slid by 1p to 47p. Jobbers Akray and Smithers reveal buoyant half-time figures and at Bunn the Austrian operations appear to be coming round. Matthew Hall's profits are at the top end of the company's forecast and Mallinson Denny reports profits 11m higher.

bad weather at the start of the year.

	1978-79	1977-78
Turnover	£1,072,494	£877,78
Dept. stores etc.	261,598	244,455
Engineering	26,000	25,000
Motor vehicles	128,432	104,228
Betting offices	26,260	19,806
Properties	26,621	19,806
Liquor hire	37,032	37,222
Trading profit	88,183	74,749
Footwear	55,818	41,396
Dept. stores etc.	19,576	18,974
Engineering	11,000	11,000
Motor vehicles	5,253	4,754
Betting offices	3,172	4,974
Properties	6,205	5,974
Liquor hire	1,805	1,258
Interest paid	8,511	11,151
Non-trading items	1,387	1,772
Profits before tax	49,584	36,983
Tax	42,498	38,983
Profits after tax	7,086	7,999
Extraordinary debit	—	3,444
Attrib. to Sears	41,732	24,613
Preference divs. ...	157	157
Attrib. Ord. ...	41,575	24,659
Ordinary divs.	28,657	13,143
Net reserves ...	29,557	13,054

The group is still on the lookout for a major U.S. acquisition.

A decision looks as if it could be taken within the next few weeks on one possible \$50m deal. The company under the spotlight is private and in the retailing field.

"We are taking price at present," said Mr. Sainer.

Another smaller U.S. takeover move is also possibly on the cards. Once again, this is in the specialty retailing field and the likely cost could be some \$25m. But talks on this possible acquisition are at a very early stage.

Further expansion in Europe is also under consideration. Sears has successfully established its retail chain in Holland with some 130 shops. The group is on the lookout to add on further retailing.

ing chains to these interests in France and Germany.

For the UK the emphasis will be on growth through established interests.

See Lex

LK Indust. slumps in second half

A SLUMP in second half profits from £148,038 to £37,455 left LK Industrial Investments down from £310,563 to £201,000 for 1978.

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AN 84 per cent jump in profits and a dividend total increased by 67.5 per cent are reported for 1978 by the London and Northern Group, the construction, building, metal reclamation and steel concern.

After recovering in the first six months group pre-tax profits accelerated by 130 per cent in the second half taking the year's total up to a record £11.7m compared with £6.37m.

The final dividend is 2.1p raising the net total from 2p to 3.35p. This restores the cut made in 1977 when profits fell to £6.37m.

The result (achieved on only a 6 per cent increase in turnover to £173.8m) reflects greater profitability both in the UK and overseas, the directors report. And figures for the first months of 1979 show an improvement.

After tax and minorities the 1978 attributable balance comes through 73 per cent ahead at £55.16m and earnings per 25p share are stated to be up from 5.2p to 9p.

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Further expansion in Europe is also under consideration. Sears has successfully established its retail chain in Holland with some 130 shops. The group is on the lookout to add on further retailing.

ing chains to these interests in France and Germany.

For the UK the emphasis will be on growth through established interests.

See Lex

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At mid-year, profits were up from £16.0m to £16.5m, and the directors saw no reason why full-year results should not show a continuing upward trend.

After tax and minorities the 1978 attributable balance comes through 73 per cent ahead at £25.16m and earnings per 25p share are stated to be up from 5.2p to 9p.

The proposed final dividend is 2.1p which raises the net total from 2p to 3.35p.

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Standard Chartered

BANK LIMITED



Comments by the Chairman, The Rt. Hon. Lord Barber

GROUP RESULTS

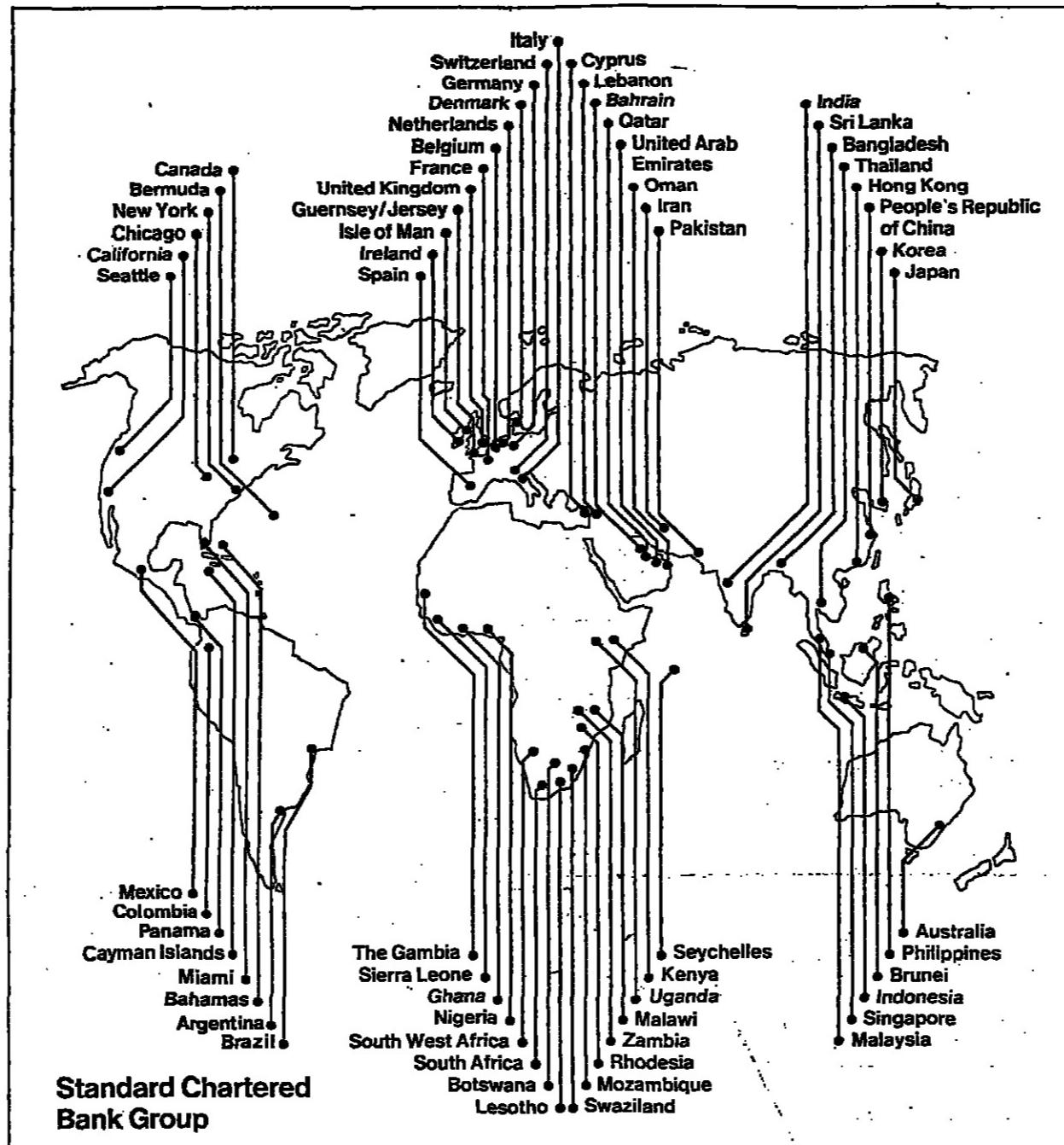
The trading profits of the Bank and its subsidiaries for the nine-month period ended 31 December 1978 were £110.7 million and the Bank's share of associated companies' profits amounted to £11.9 million, giving total profits before taxation and extraordinary items of £122.6 million. During the nine months, total Group assets increased from £8,497 million to £9,369 million and 38 offices were opened or acquired. With the acquisition of Union Bank on 17 April total Group assets increased to some £12,000 million.

The Accounting Reference Date of the parent company and a number of subsidiaries has been changed from 31 March to 31 December so that a direct comparison of the nine-month period under review with the preceding twelve months is not possible. However, the upward trend of trading profits was maintained against an international background beset by economic and political uncertainties as well as continuing inflationary pressures.

TEN YEARS' PROGRESS

Later this year our second major conference on strategy is to be held in London on the theme 'Standard Chartered in the 1980's' ten years after the formation of the company uniting the Standard and Chartered Banks.

The amalgamation of the banks has been effectively accomplished and we can now see the benefits. From our beginnings in the traditional areas of Asia and Africa our philosophy and strategy have been transformed into those of an international bank, the central thrust and strength of which is in commercial banking extended



across a much wider spread of countries.

While, therefore, the Group's commercial banking operations in parts of our traditional areas have been growing in importance we have also been increasing our presence in the developed countries, notably in Britain, Western Europe, North America and Australia.

In the People's Republic of China, as one of only two foreign banks with an operating branch, we are well situated to participate in trade

and industrial developments there.

Outside commercial banking, the financial and other services provided by the Group have been greatly expanded by a process of internal development and acquisition. They range from merchant banking, instalment credit and computer leasing to bullion dealing and investment management.

Since 1971 Group assets have averaged an annual growth of 18 per cent and net profit attributable to shareholders has more than trebled.

**Total Assets £12,000million
Total Deposits £11,000million
1,500 offices in 60 countries
around the world.**

UNION BANK, CALIFORNIA

I am glad to be able to report that the Board of Governors of the Federal Reserve have approved the acquisition of Union Bancorp in California. This important step brings into the Standard Chartered family the old-established Union Bank which, with deposits exceeding \$4 billion, ranks twenty-fifth among United States banks. Together with our existing Californian subsidiary, The Chartered Bank of London, Union Bank will provide the Group with a substantial dollar deposit base, strengthen our overall posture in the United States and reinforce the Group's lending capacity worldwide.

From the strategic aspect, the acquisition raises the proportion of the Group assets held in North America to about one quarter of the total. With a broadly balanced distribution of assets between the other main operating areas—the United Kingdom and Europe, Asia and the Middle East, and Africa—it can be seen that the Group is well placed to absorb any fluctuations which may occur in the prosperity and stability of particular countries or areas.

STAFF

In previous years I have emphasised, as no mere formality, the thanks we owe to our staff throughout the world for the loyalty and hard work which have underpinned the progress of the Group. I again place on record the Board's warm appreciation of their services at home and abroad with a special tribute to those expatriate staff and their wives who have shown true leadership in sometimes near-impossible situations of civil strife.

UK COMPANY NEWS

Mallinson-Denny moves ahead to record £10m

FOLLOWING THE £0.11m rise to £4.78m for the first half, pre-tax profits of Mallinson-Denny moved further ahead in the second six months of 1978 to finish at a record £10.04m, compared with £9.08m. External sales of the international timber merchant, manufacturer of wood-based products and general merchant, increased from £190.06m to £207.94m.

A geographical analysis of sales and trading profits—up from £1.2m to £1.22m—shows (in £'000's)—UK £143.100 (£127.151) and £10,490 (£8,956); other EEC countries £11,505 (£11,284) and £218 loss (£212 profit); Australia £12,255 (£12,174) and £170 (£327); Far East £34,053 (£34,383) and £2,165 (£2,268); and U.S. £6,350 (£5,072) and £618 (£302).

Tax for the year is lower at £1.29m (£1.65m) and stated earnings per 25p share are more than doubled from 7.59p to 15.26p. A net final dividend of 1.685p lifts the total payment to 3.118p compared with 2.792p previously.

External sales £207.94m (£190.06m). Trading profits 12,324 (£12,255). Interest 2,185 (£2,165). Profit before tax 10,025 (£9.08m). Overseas tax 1,792 (£1,772). Net profit 7,744 (£6,350). Dividends 2,792 (£2,792). Available 7,450 (£2,165). Pref. dividends 1.685 (£1.685). Ordinary dividends 1.685 (£1.685). Retained 5.757 (£1.783).

Comparative figures have been amended following the change in accounting policy for deferred tax and treatment of goodwill.

The directors report that UK trading in the early part of 1978 suffered from depressed prices, but from the late spring the UK was some improvement in margins. This situation held to the year-end, but it was only in the final weeks that there were signs of the expected further advance.

Nevertheless, the UK companies performed well, with a very few small exceptions, where steps which have been taken should give considerable improvement in 1979. UK turn-

over at the end of April is more than 12 per cent ahead of the corresponding figure last year.

Overseas, the main American subsidiary, Thompson Mahogany Company had "commanding" results, as did the leavenous companies in the Far East. Australian operations were hindered by the severely depressed economy there, but the group is now benefiting from the slightly better trading climate in that country.

The French company gave most concern in 1978 and had an adverse effect on group results, the directors state. Major initiatives were taken in the second half of 1978, including plant improvement, executive changes, and substantial redundancies, but these were not effective in time to alleviate the loss for the year. However, first quarter 1979 operating accounts indicate an improvement.

A majority of UK properties were professionally revalued as at December 31, 1978, on an extractive basis to make surplus on revaluation of £5.16m added to reserves.

At the year-end, fixed assets were up from £14.1m to £20.9m and net current assets rose from £83.5m to £83.4m.

• comment

Losses of around £600,000 in France restrained Mallinson-Denny's profit growth and came as a slight surprise to the market. The company expects to reduce the shortfall significantly this year following extensive reorganisation and sweeping management changes. On the positive side, the U.S. more than doubled its trading profits, and expansion from the Far East base is likely this year. The company was operating on slender margins for most of last year, exacerbated by price-cutting from smaller companies but rising timber prices are now helping the trading position. The tax bill was more than halved in 1978, as a result of stock relief and capital expenditure, while revaluation of assets has added over £5m to

the interim dividend is raised from 0.85p to 0.85p—the total for 1977-78 was 1.84p paid from profits before tax of £616,000.

1978 1977
Turnover 206,250 203,883
Pre-tax profit 10,025 10,025
Share of associates 3,802 3,538
Net interest 921 1,526
Profit before tax 12,792 12,255
Div. tax 3,058 3,145
Overseas 1,792 1,772
Assoc. tax 1,494 1,292
Net profit 6,551 5,483
Minority 287 287
Dividends 5,538 5,233
Extrad. debit 50 1,233

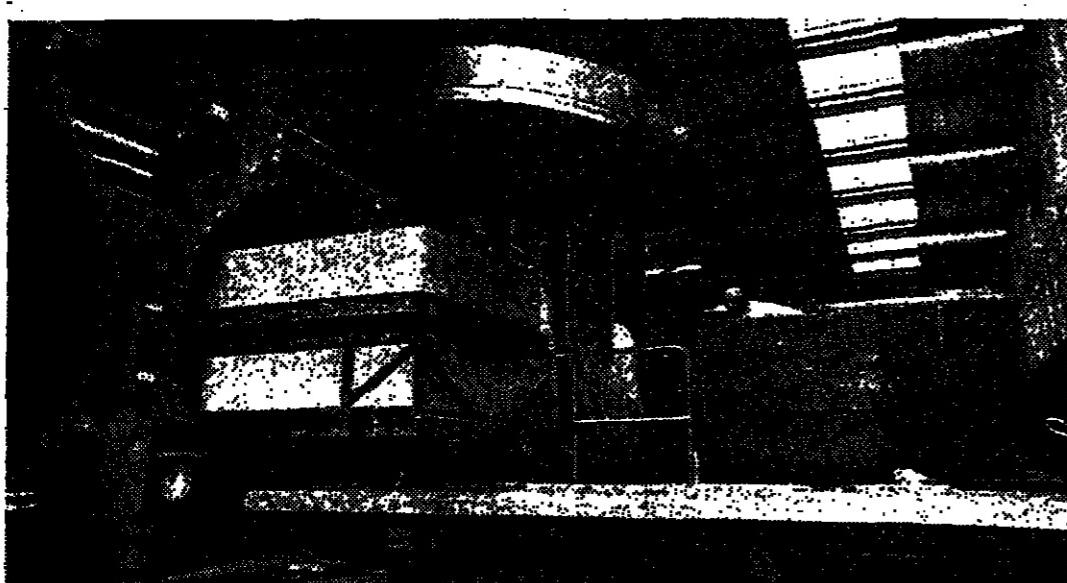
After tax and minorities earnings per share come out little changed at 21.5p (21.4p). The directors point out that the charge for tax is 48 per cent of profits against 47 per cent in 1977. This is mainly due to the mix of profits overseas and tax thereon and overseas losses not receiving tax relief. The charge includes full provision for deferred tax as before.

However, he feels that most of the lost revenue during the period should be recovered in the second half and that sales for the full year should exceed the figure of £8.5m forecast last November.

The profit was struck after depreciation of £189,000 (£108,000) and a heavier Exchequer levy of £732,000 (£545,000), but before tax of £1,090 (£200,000).

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Further constructive moves from Turner & Newall



£4 million investment in lightweight concrete building blocks



£3 million construction materials plant modernisation includes development of glass-reinforced board



£8 million investment in specialised glass fibre insulation materials

Bunzl Paper better than expected with £12.8m

A LITTLE better than forecast last October, profits of Bunzl Pulp and Paper improved from £12.25m to £12.79m in 1978. When reporting a midway fall from £18m to £16.7m the directors were looking for a result in line with 1977's.

The directors explain that the better result has been achieved despite a difficult year for the UK filter manufacturing activities. The profit would have been higher by more than £400,000 had exchange rates remained unaltered from the previous year.

The directors say that in pursuing the group's policy of expansion into areas of greater opportunity, it has extended its demand to move from losses into profits giving an overall break-even result for the year. But merchandising profits (roughly 20 per cent of 1977's figure) were cut in half in 1978, largely because of provisions against losses, particularly in Iran and Nigeria. Tax changes which pushed smokers towards King Size cigarettes changed the UK filter market. King Size have less complicated filters which, from Bunzl's point of view, have smaller profit margins. The shares have been moving upwards in anticipation of better results and at 106 have a p/e of 4.8 and a yield of 7.9 per cent.

The sale of the Austrian operation or an improvement in dividend is necessary for the shares to look attractive at current prices.

The dividend total is increased from £4.005p to 5.48p, with a final of 2.29p.

Goodwill of £1.87m arising on the acquisition for cash of Coated Specialities and Fidus Controls has been charged to reserves.

Shareholders funds at December 31 totalled £45.63m (£46.35m) — equal to 183.7p (177.0p), per share.

• comment

Bunzl's troubled Austrian operations started to come right in 1978. At the beginning of the year prospects were bleak, after management shake-up and an improvement in market paper demand it moved from losses into profits giving an overall break-even result for the year. But merchandising profits (roughly 20 per cent of 1977's figure) were cut in half in 1978, largely because of provisions against losses, particularly in Iran and Nigeria. Tax changes which pushed smokers towards King Size cigarettes changed the UK filter market. King Size have less complicated filters which, from Bunzl's point of view, have smaller profit margins. The shares have been moving upwards in anticipation of better results and at 106 have a p/e of 4.8 and a yield of 7.9 per cent.

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Satisfactory start for Gough Bros.

Since the end of the financial year (last September) trading had been satisfactory and further reductions had been made in charges and administrative and distribution expenses, said Mr. R. C. Gough, chairman of Gough Brothers, the wine merchants, at the annual meeting.

The directors add that 1978 was devoted to rationalisation and the improved results reflect the steps taken to strengthen management, reduce overheads and eliminate unnecessary activities.

The current year should show a more realistic benefit from these savings.

At halfway through the year the group had staged a turnaround from a £650,000 loss to £33,000 taxable profits, the board said. The gradual recovery should continue against a background of an improvement in trading conditions.

There is a tax credit for the year of £29,000, against £765,000, and an extraordinary credit this time of £118,000.

No dividend yet at Southern Constructions

AFTER RETURNING to a small profit at midway Southern Constructions (Holdings) finished the year with a taxable loss of £293,000, compared with a £145,000 loss last time. Turnover was down from £13.71m to £12.2m.

The board does not yet feel a return to dividends is justified.

There were no payments in 1977 after total net dividends of 0.885p the previous year.

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ANIMAL FEEDS LIVESTOCK PRODUCTION

R.CARTWRIGHT HOLDINGS LIMITED

Highly Satisfactory Performance

Year ended	31.12.77	Year ended	31.12.77
Turnover	£5,976,810	Turnover	£4,937,470
Profit before Tax	£931,285	Profit before Tax	£669,583
Profit after Tax	£446,189	Profit after Tax	£321,003
Earnings per Share	11.01p	Earnings per Share	8.60p
Final Dividend	1.5641p	Final Dividend	2.5p

Mr. J. C. Northam, Chairman, reports:

Highly satisfactory results have been obtained in spite of continued decline in building activity in the U.K. and although the increase in the hardware based Companies has not been so spectacular as the steel partitioning and plastic engineering operations, steady growth has nevertheless been maintained in most cases.

Additional premises together with the complementary plant and equipment will bring the Group capital expenditure programme for 1979 to over £1.5m.

It is hoped that the building of a much larger factory at Redditch will be completed at the end of this year.

A further freehold site has been purchased near our main factory and building has already commenced on new premises for Cartwright Lock & Pressings.

We have reached agreement with Smith Walls & Company on a recommended offer for the whole of their issued Share Capital.

I am sure the association will be beneficial to all.

Prospects for 1979 look quite promising although the year started with some disruption due to local and national industrial problems.

Manufacturers of Door and Window Furniture, Locks, Aluminium and Zinc Alloy Diecastings, Steel Partitioning and Trade Injection Mouldings.

Feedex Agricultural Industries

Preliminary Results for 1978

Record profits — over £1 million for the first time

Proposed final dividend of 0.885p per share — maximum permitted

1-for-4 Scrip Issue proposed

1978	1977	increase
£'000	£'000	
Turnover	22,194	20,653
Pre-tax profit	1,041	821
Attributable profit	576	494
Earnings per share	5.55p	4.88p

AGRICULTURAL EQUIPMENT MANUFACTURERS

Feedex Agricultural Industries Limited

DASY HILL BURSTWICK HULL HU12 9HE

Property-now.

The 1979 top performing trust — Schlesingers Property Shares — still offers excellent value given a rising market fuelled by falling interest rates. For the latest PIMS report write to: R. K. Timberlake, Southside, 105 Victoria Street, London SW1E 6QS.

Schlesingers

London and Northern Group Limited



RECORD RESULTS

The preliminary figures for the year ended 31st December 1978 show:

- * Pre-tax profits up by £5.4 million to £11.8 million (84%)
- * Attributable profits up by £2.2 million to £5.2 million (73%)
- * Earnings per share up from 5.2p to 9.0p.
- * Dividends up from 2.0p to 3.35p per share
- * Net borrowings down by £6 million to £15 million

	£'000	1978	1977
Turnover	173,800	163,900	
Pre-tax profit	11,767	6,371	
Taxation	5,923	2,647	
Minority interests	6,612	700	3,347
Attributable profit	5,155	790	3,024
Extraordinary items	295	1,996	
Dividends	1,977	1,206	
Retained profit	2,272	1,028	
	2,883		

Deritend hit by low demand

Sales of Deritend Stamping Company were hit by depressed demand for forging products and the manufacturing division's poor performance.

The taxable surplus slipped from £1.75m to £1.36m in the year to February 28, 1978 on sales of £30.5m, compared with £27.2m. At midway the group turned in pre-tax profits down from £330,000 to £63,000. The directors then said that helped by the spread of their products they expected the company's performance as a whole to continue "satisfactorily".

They now report that last year the electrical and investment casting sides were highly static, and the general outlook for the group is encouraging.

In 1977-78 41 per cent of trading profits, £761,000, came from the forging division. In his annual statement for that year Mr. C. W. Perry, chairman, said he expected this side to remain depressed during the year.

Tax for 1978-79 takes £22,055, against £29,445, leaving net profits up from £1.25m to £1.24m. Stated earnings per 50p share are down slightly, from 38.7p to 38.1p.

The dividends absorb £387,416 (£30,600) after which the retained surplus comes out at

BOARD MEETINGS

TODAY

Intertel — Lloyd's and Scottish, National Bank of Australia, Transval Consolidated Land and Exploration, Turner Evans, Wood Hall Trust, Turner Evans, Wood Hall Trust, Gurney Hutton, Capers Smith, Trust, Barclays House, Capers Smith, International, King, and Shandson, Barlow, University, Millgate, Leisure Foods, Developers, Pilkington, Seacome, Sandhurst Marketing, Securite, Combe, Marshall and Campion, Salincaut, H. J. Slingsby, Francis Sauer, Laker-Walter.

FUTURE DATES

Intertel	May 15
Associated Engineering	May 24
Central Manufacturing	May 16
North Midland Construction	May 11
Fins	
Bathgate Investment Trust	May 15
Barlow (John)	May 18
Bastie (James)	May 11
Bishopton Trust	May 14
Black & Decker	May 17
Folkes (John) Hulc	May 15
Gleaves	May 15
Hambros Investment Trust	May 15
Inter-City Investment	May 15
L. Bass (Edward)	May 18
Leigh	May 18
Viners	May 11
Warrington (Thomas)	May 11

£553,081, against £900,079.

The final dividend of 7.72p net lifts the total from 9.97p to 11.02p.

M & G Reinsurance

New life sums reassured in 1978 by Mercantile and General Reinsurance Company, a member of the Prudential Corporation, were a record for new business.

New life sums reassured written by M and G amounted to more than £2.5bn, which produced new annual premium income of £13.25m, an increase of 22 per cent over the 1977 figure of £10.86m.

Mr. D. M. C. Donald, explains in his chairman's statement that in the UK the relaxation of Government pay policies led to a further improvement in the life assurance industry, with buoyant sales of personal and group pensions business, which helped the group's production figures.

Total premium income of the parent company's life and annuity business increased from £48.91m to £50.5m, and, after the sharp rise in new business, a transfer of £2.5m was made to the

profit and loss account. This compares with £1.25m previously.

In the fire account premium income increased by £8.82m or 18 per cent due to new business from several countries combined with the effects of inflation and the depreciation of sterling against most other currencies.

Although the combined underwriting result necessitated a transfer from profit and loss account of £1m, 1.2 per cent of premiums, this was an improvement on the previous year when the transfer was £2.37m, 3.7 per cent of premiums.

Interest, dividends and rents increased substantially from £9.71m in 1977 to £12.68m.

The group profit for the year after tax amounted to £1.2m.

After providing for transfers to reserves amounting to £9.88m and an increased dividend of £1.5m, the balance of £8.97m has been carried forward, compared with £4.26m last year.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY — Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (1000s). All seasonally adjusted.

	Ind.	Mfg.	Eng.	Retail	Unem.	Vacs.
	prod.	output	order	vol.	value	ployed
1978	107.0	102.0	99	106.4	246.2	1.49
1st qtr.	107.0	102.5	95	107.9	254.4	1.367
2nd qtr.	110.8	104.5	103	116.7	266.6	1.380
3rd qtr.	111.5	105.1	103	111.7	273.0	1.340
4th qtr.	109.7	102.5	113	110.5	269.7	1.339
Nov.	109.5	103.5	130	110.5	273.0	1.321
Dec.	111.2	93.4	112	113.8	278.2	1.321
1979						
Jan.	103.8	103.8	93	109.6	278.1	1.339
Feb.	110.4	110.5	104	110.4	275.4	1.363
March				110.8	278.5	1.350
April					1.311	250

OUTPUT — By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer	Invest.	Intmd.	Eng.	Metal	Textile	Hous.	etc. starts*
	goods	goods	goods	output	mnfg.	etc.	etc.	starts*
1978	98.3	116.3	92.9	96.6	98.0	98.0	17.8	
1st qtr.	105.2	98.1	122.4	99.7	107.4	101.2	27.1	
2nd qtr.	108.0	114.4	100.8	100.8	101.2	105.8	23.0	
3rd qtr.	108.9	99.7	123.2	100.8	101.2	106.7	15.7	
4th qtr.	105.3	96.7	123.4	96.4	97.6	101.7	20.2	
Oct.	105.0	96.0	121.0	96.0	97.0	100.0	24.5	
Nov.	106.0	96.0	123.0	95.0	93.0	104.0	20.7	
Dec.	106.0	98.0	126.0	98.0	102.0	101.0	15.5	
1979								
Jan.	106.6	91.0	117.0	91.0	77.0	95.0	10.1	
Feb.	104.0	101.0	129.0	101.0	101.0	100.0	12.6	

EXTERNAL TRADE — Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export	Import	Visible	Current	Oil	Terms	Res.
	volume	volume	balance	balance	balance	trade	US\$bn*
1978	119.6	113.3	-590	-361	-620	105.4	20.62
1st qtr.	122.5	110.0	-173	+135	-414	104.5	16.75
2nd qtr.	121.3	114.4	-557	+49	-501	105.7	16.55
3rd qtr.	123.1	112.8	-1	+359	-480	106.7	15.77
4th qtr.	122.7	114.1	-103	+12	-162	107.3	15.67
Nov.	126.7	113.0	+67	+187	-183	106.8	15.69
Dec.							
1979							
Jan.	113.1	107.3	-119	+1	-69	107.7	16.26
Feb.							
March							
April							

FINANCIAL — Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£bn); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	Bank	M1	M3	advances	DCE	BS	HP	MLR
	%	%	%	%	£m	inflow	lending	%
1978								
1st qtr.	24.3	22.8	17.5	+1,811	1,049	1,273	61	
2nd qtr.	8.5	15.7	24.5	+2,652	684	1,506	10	
3rd qtr.	16.8	5.5	8.6	+517	746	1,541	10	
4th qtr.	9.7	9.7	8.5	+1,523	878	1,576	12	
Oct.	12.1	10.6	9.9	+143	261	561	12	
Nov.	9.7	9.7	8.3	+826	254	507	12	
Dec.								
1979								
1st qtr.	14.7	12.0	32.8	+1,702	777	1,586	13	
2nd qtr.	13.8	16.5	21.3	+896	289	1,525	12	
3rd qtr.	21.5	20.3	24.1	+1,068	231	531	14	
4th qtr.	14.7	12.0	32.8	+362	257	530	13	
pril								

INFLATION — Indices of earnings (Jan., 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1962=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic	Wholesale	RPB*	Foods*	comdy.	Strig.

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British-Borneo recovers

AFTER REPORTING a £34,423 fall to £436,124 in midway profits, British-Borneo Petroleum Syndicate recovered in the second half to finish the March 31, 1978, year ahead from £21,282. Total income rose from £895,497 to £974,341, of which £830,312 against £495,891 accrued from investments.

The pre-tax result was struck after £70,191 (£27,697) administration expenses, interest of £82,568 (£30,904) on Eurocurrency loans and exploration expenses last time of £877.

Corporation tax took £178,950 (£128,550) and tax attributable to franked investment income, £142,281 (£12,031), leaving net profits up from £455,438 to £500,051.

With stated earnings per 10p share at 11.1p against 10.8p, the dividend total is lifted from 6.511p to 7.329p net, costing £338,805 (£306,495), with a 5.021p

in Western Canada, the company's wholly-owned subsidiary participated in the drilling of a well at Meekwip in Alberta and two wells at Boundary Lake in British Columbia which were abandoned. The company retains its interest in these areas and further drilling under farmout arrangements is under consideration.

£5.05m from Laing Properties

The directors of Laing Properties, group formed from the property interests of John Laing and Son last year, announce results for the period from December 23, 1977, to December 31, 1978.

Pre-tax profits were £5.05m,

the same figure for the property interests of J. Laing and Son for 1977, and included net investment income of £4.05m. This was some 11 per cent up on the forecast of £3.65m made in the scheme of arrangement.

The leasing of vacant office space in the UK, standing at some 300,000 square feet, is proving a slow and difficult task, the directors state.

Expenditure to March 31, 1978, amounted to £399,388, and the company proposes to continue with a further programme of acquisitions and exploration during the coming year.

The market value of the group's listed investments at the year-end was £11,714,294 (£9,434,708).

GRE on solvency margins

A PLEA that the authorities, both in the UK and overseas, should allow increases in the legal solvency margins of insurance companies as a charge against profits for tax purposes is made by Mr. E. H. Collins, chairman of Guardian Royal Exchange Assurance. In his statement accompanying the 1978 report and accounts.

Mr. Collins points out that it was extremely difficult to write the UK personal property account at a profit. The average cost of claims is rising at twice the rate of inflation and policyholders are still reluctant to insure for the full value of their possessions, despite all encouragement given.

Mr. Collins reports that the investigation by McKinsey and Co. into the German operations had been completed and their recommendations were being implemented. The beneficial effect would not be felt until 1980, but even then, it was unlikely that general market conditions would permit a return to underwriting profit.

He points out that although the results last year were a record, even higher levels were needed to cover the damage done by inflation in eroding an insurance company's asset base.

Profits earned and retained minimised this damage and because of the special legislation regarding minimum solvency margins, the problem needed to be dealt with urgently.

In the UK, which accounts for 39 per cent of the group's worldwide business, a welcome recovery was made after a poor first quarter. The fire account produced a worthwhile profit and the accident department recovered from the substantial loss in 1977. The motor department, however, was affected by a further rise in the number of claims and despite rate increases in April, 1978, a marginal loss was recorded. Further increases in motor rates were made last year.

A good result was achieved in Canada, and the U.S. is one of the group's fastest growing areas, albeit from a small base. Very competitive conditions had resulted in a reduction in profit in Australia.

The bad weather in the first quarter of this year in both the UK and Northern Ireland would, said Mr. Collins, prove more costly than the first quarter of last year. But the poor start last year was turned into the best ever result of the group. He expected the underwriting transferred for this year to be less good than

in 1978, but he hoped for rising profits overall in 1979.

BTR profit over 30% up so far

IN THE opening period of 1979, total orders and sales at BTR, general rubber manufacturer, were at higher levels than 1978. Sir David Nicholson, chairman, said at the AGM.

And as a result of benefits from plant investment and acquisitions during 1978, pre-tax profits had been running at levels in excess of 30 per cent higher than the same period in 1978, on a comparable basis.

First half 1978 profits were 17.5m and a record £42.5m was achieved for the full year.

Cash flow had been positive, he added, even after taking into account a well maintained programme of investment in building, plant and equipment, as well as the working capital demands of higher trading levels.

Akroyd reaches £9.2m midway

AFTER SHOWING a turnaround of £2.35m in the second-half of 1977/78 Akroyd and Smithers, the jobbing firm, has turned in a profit before tax of £9.2m for the 27 weeks ended April 8, 1979.

Mr. D. H. LeRoy Lewis, chairman, says that the results are due mainly to the activity in both the equity and fixed interest markets. However, until there is an opportunity to assess the financial policy of the new government, he finds it difficult to forecast the trading prospects for the second half.

Mr. Lewis, chairman, says that the simple message from Akroyd's figures is that it jobbed well in the six months in April 1979 compared with last year when it jobbed rather poorly.

The latest profits are helped by first-time contributions from its traded options activities and also South African gold shares, but the bulk of profits come from traditional equity and fixed interest markets. The strong performance is hardly surprising considering of a rising market and increased activity, particularly in the last nine weeks of the period. The shares jumped 6p to 231p yesterday but, as the company cautions, the financial policy of the new Government may affect the trading performance over the remaining months of Akroyd's year.

Comment

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Amalgamated Metal chief on prospects

WITH the revolution in Iran and oil price increases likely to prove depressing factors in world trade, Mr. John Saunders, chairman of Amalgamated Metal Corporation, says it is not possible to forecast with confidence the current year's results.

However, in the early months of 1979, there have been rises in non-ferrous metal prices and an increase in market activity, the chairman adds in his annual message to shareholders.

As reported on April 24, pre-tax profits were £8.53m in 1978 compared with £6.12m.

Of individual prospects within the group, the directors say Associated Tin Smelters, of Sydney, Australia, produced satisfactory results in 1978 but the outlook is not so favourable.

Williams, Harvey & Co., a wholly-owned smelter at Liverpool which has been in liquidation since 1973, will continue under this arrangement in the current year.

The directors say action will be taken in the current year to strengthen the management and trading resources of the physical

RESULTS AND ACCOUNTS IN BRIEF

HIGHGROVE INVESTMENT TRUST—Final dividend 1.1p (1p) making 1.57p for 1978 (1.02p). Profit £77,763 (£76,003) after tax of £68,246 (£66,940).

BRITISH INDUSTRIES AND GENERAL INVESTMENT TRUST—Net revenue for six months to March 3, 1979, £28,800 (£21,100) after all charges including 1.5p (1.5p) (net assets 3.8p).

SCOTTISH UNITED INVESTORS—Net income for three months to March 31, 1979, £41,213 (£10,763) after 1.7p (1.7p) tax. Net asset value 95.3p (£7.76).

LIDSTONE—Pre-tax profit half-year to January 13, 1979, £19,888 (£19,888) after tax of £12,522 (£12,522). Earnings per share 2.3p (2.1p). Trading profit continues to be better than previous year. This trend expected to continue until year-end.

CUMULUS INVESTMENT TRUST—Net income for half-year to March 31, 1979, £22,800 (£16,800) after tax of £12,522 (£12,522). Earnings per share 0.45p (0.32p). Figures include a non-recurring profit of £24,860 on the sale of a trade investment.

THE CROWN INVESTMENT GROUP—Results for 1978 already reported. Fixed assets £7,055 (£5,44m). Net current assets £3.97m (£2.52m). Chairman says subject to weather and inflationary factors, a 10 per cent rise should be obtained this year. Meeting, St. Ermin's Hotel, May 31, at 11.30 am.

BOOSEY AND HAWKES (music publishing)—Results for 1978 already reported. Group net assets 2.02m (£1.98m). Net current assets 1.27m (£1.22m). Surplus on revaluation of £0.75m (£0.75m).

TRAVIS AND ARNOLD (builders and plumbers merchant and timber importer)—Results for 1978 reported April 26. Group net current assets £13.56m (£9.73m). Meeting, 20, Aldermanbury, EC, May 30, noon.

WOOD AND SONS (Holdings)—Results for 1978 already reported. Group fixed assets £200,265 (£200,265). Net current assets £70,563 (£54,489). CCA taxable profit £29,000 (£25,000). Meeting, Birmingham, May 31, at 1pm.

TRAVIS AND ARNOLD (builders and plumbers merchant and timber importer)—Results for 1978 reported April 26. Group net current assets £13.56m (£9.73m). Meeting, 20, Aldermanbury, EC, May 30, noon.

WATTS, BLAKE, BEARNE AND CO.—Results for 1978 already reported. Group net current assets £13.63m (£12,469). Net current assets 2.54m (£3.12m). Bank balances and overdrafts decreased by £1.37m (£1.15m). Decrease in bank deposits £1.32m (£0.33m) increase. Meeting, Laurence Pountney Hill, EC, on May 31, at noon.

RICHARDS (LEICESTER) (foundry, structural and mechanical engineer)—Results for 1978 reported April 19. Group net current assets £1.86m (£1.85m). Net current assets £1.02m (£0.95m). Chairman says not much evidence of a home market for capital plant has continued to increase there marginally, and help to export efforts. However, cash flow demand has improved during first half of 1978 and foundries are again working to full capacity. Meeting, Leicester, May 31, noon.

WATTS, BLAKE, BEARNE AND CO.—Results for 1978 already reported. Group net current assets £13.63m (£12,469). Net current assets 2.54m (£3.12m). Bank balances and overdrafts decreased by £1.37m (£1.15m). Decrease in bank deposits £1.32m (£0.33m) increase. Meeting, Laurence Pountney Hill, EC, on May 31, at noon.

TRAVIS AND ARNOLD (builders and plumbers merchant and timber importer)—Results for 1978 reported April 26. Group net current assets £13.56m (£9.73m). Meeting, Birmingham, May 31, at 1pm.

MYSON GROUP (engineering)—Results for 1978 reported April 26. Group net current assets £8.12m (£7.22m). Net current assets £2.28m (£2.05m). Chairman says revenue of same order as last year.

GREEN'S ECONOMIC TRUST—Results for 1978-79 already reported. CCA profit reduced 14.4p (14.4p). Fixed assets £1.24m (£1.24m). Net current assets £0.44m (£0.44m). Net current assets £2.07m (£2.57m). Surplus on revaluation of £4.5m written into book value of £1.24m (£1.24m). For first eight weeks show 16 per cent rise over last year and group budgeting for further increase in profits. Meeting, 11.30 am, May 30, at 12.15 pm.

THE CROWN INVESTMENT GROUP—Results for February 3, 1979, £10,710 (£10,710) after tax of £7,267 (£7,267). Net current assets £25,940 (£21,24m). Net liquidity down £46,000 (up £4,96m). Meeting, London Press Centre, EC, May 30 at 11.30 am.

W. H. SMITH AND SON (Holdings)—Results for 1978 already reported. CCA profit reduced 14.4p (14.4p). Fixed assets £1.24m (£1.24m). Net current assets £0.44m (£0.44m). Net current assets £2.07m (£2.57m). Surplus on revaluation of £4.5m written into book value of £1.24m (£1.24m). For first eight weeks show 16 per cent rise over last year and group budgeting for further increase in profits. Meeting, 11.30 am, May 30, at 12.15 pm.

JOHN MENEZIES (Holdings)—Results for 1978-79 already reported. CCA profit reduced 14.4p (14.4p). Fixed assets £1.24m (£1.24m). Net current assets £0.44m (£0.44m). Net current assets £2.07m (£2.57m). Surplus on revaluation of £4.5m written into book value of £1.24m (£1.24m). For first eight weeks show 16 per cent rise over last year and group budgeting for further increase in profits. Meeting, 11.30 am, May 30, at 12.15 pm.

HUNTING PETROLEUM SERVICES—Results for 1978 already reported. Group net assets 12.01m (£12.01m). Net current assets £7.71m (£7.26m). Surplus on revaluation of £4.5m written into book value of £1.24m (£1.24m). For first eight weeks show 16 per cent rise over last year and group budgeting for further increase in profits. Meeting, 11.30 am, May 30, at 12.15 pm.

MAGNOLIA GROUP (Holdings)—Results for 1978 already reported. Group net assets 12.01m (£12.01m). Net current assets £7.71m (£7.26m). Surplus on revaluation of £4.5m written into book value of £1.24m (£1.24m). For first eight weeks show 16 per cent rise over last year and group budgeting for further increase in profits. Meeting, 11.30 am, May 30, at 12.15 pm.

PINLAY PACKAGING—Results for 1978 already reported March 17. On CCA basis, profit reduced 14.4p (14.4p). Fixed assets £248,619 (£227,72m), of which £1.45m (£1.45m) is CCA taxable profit. Fixed assets £1.31m (£1.31m). Net current assets £1.02m (£1.02m). Increase in net revenue of same order as last year.

MYSON GROUP (engineering)—Results for 1978 reported April 26. Group net current assets £8.12m (£7.22m). Net current assets £2.28m (£2.05m). Chairman says revenue of same order as last year.

WATTS, BLAKE, BEARNE AND CO.—Results for 1978 already reported. Group net current assets £13.63m (£12.469). Net current assets 2.54m (£3.12m). Bank balances and overdrafts decreased by £1.37m (£1.15m). Decrease in bank deposits £1.32m (£0.33m) increase. Meeting, Laurence Pountney Hill, EC, on May 31, at noon.

TRIPLEVEST—Results for February 28, 1979, year already reported. Investment trust profit £22,59m (£22,72m), of which £1.45m (£1.45m) is CCA taxable profit. Net increase in net revenue of same order as last year.

EGARTY AND COMPANY (mainly fibres, glass etc.)—Results for 1978 reported April 26 with prospects Group fixed assets £248,619 (£227,72m), of which £1.45m (£1.45m) is CCA taxable profit. Fixed assets £1.31m (£1.31m). Net current assets £1.02m (£1.02m). Increase in net revenue of same order as last year.

E. FOGARTY AND COMPANY (mainly fibres, glass etc.)—Results for 1978 reported April 26 with prospects Group fixed assets £248,619 (£227,72m), of which £1.45m (£1.45m) is CCA taxable profit. Fixed assets £1.31m (£1.31m). Net current assets £1.02m (£1.02m). Working capital increased by £1.32m (£1.32m). Earnings per share 1.25p (1.25p).

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WORKING CAPITAL increased by £1.32m (£1.32m). Earnings per share 1.25p (1.25p).

FINLAY PACKAGING—Results for February 28, 1979, year already reported. Investment trust profit £22,59m (£22,72m), of which £1.45m (£1.45m) is CCA taxable profit. Net increase in net revenue of same order as last year.

EGARTY AND COMPANY (mainly fibres, glass etc.)—Results for 1978 reported April 26 with prospects Group fixed assets £248,619 (£227,72m), of which £1.45m (£1.45m) is CCA taxable profit. Fixed assets £1.31m (£1.31m). Net current assets £1.02m (£1.02m). Working capital increased by £1.32m (£1.32m). Earnings per share 1.25p (1.25p).

Investing for the eighties

In his Statement to shareholders, accompanying the Accounts for the year ended 31st January 1979 Michael Pickard, Chairman, reports that sales in the second half-year increased by 21.4%—a figure in excess of mail order growth in general. Sales for the full year reached a record £189 million with pre-tax profits of £10.6 million. Earnings per share increased 10% to 15.68p.

He confirms the Company's commitment to increasing sales and market share and explains the necessity for continued investment in order to achieve this. Plans for current and future investment include:

CATALOGUE AND MERCHANDISE The catalogue has been expanded to 850 pages of attractive and competitively priced merchandise with a bigger choice of over 22,000 lines.

DISTRIBUTION Acquisition of 300,000 sq. ft. of additional warehousing for bulk storage facilities. Substantial investment into the new warehouse is planned during the next two years.

AGENT RECRUITMENT Significant increases in advertising and recruitment programmes, bringing our total agents to over 600,000.

COMPUTERS Expansion of computer capacity to support and improve selling and distribution systems.

Mr. Pickard concluded by thanking management and staff for their hard work and helpful response and says that initial demand from the Spring/Summer catalogue has maintained the improvement seen in Autumn 1978. However, it is still very early in the season to project the likely sales and profit outcome. The Board's recommendation of an increased Dividend is an indication of confidence in the future progress of Grattan.

Grattan

CATALOGUE MAIL ORDER

The Annual General Meeting will be held in Bradford on 24th May 1979. If you would like a copy of the Report and Accounts, please write to the Secretary, Grattan Warehouses Limited, Anchor House, Ingleby Road, Bradford, West Yorkshire, BD9 2XG



Grattan

SPRING & SUMMER 1979

no 192

A FINANCIAL TIMES SURVEY WORLD BANKING

The Financial Times proposes to publish a major Survey on World Banking. It will be published in two parts on May 21 and May 29. The editorial synopsis is set out below:

PART 1 — 21 MAY 1979

The Economic Background The search for a more even distribution of economic growth and current account balances. The factors behind the recent high level of world liquidity, the key to the current banking environment. The IMF and its macro-economic impact now that increased resources have been approved. Its function as inspector of world economies. The sharp rise in the price of gold mirroring the problems of the dollar. European Monetary System—the conception, start, and prospects of this new regional monetary system.

Forms of Finance offered by Banks These articles are to describe the basic characteristics of the "product" offered by banks to their customers. Medium-term loans—the mounting advantages to borrowers. Project Finance—how banks join forces to fund large-scale projects. Export Finance—the growth of this business tied to the growth of trade. The issue of

securities for bank customers, the wide choice of currency maturity and coupon facing the borrower.

The Eurocurrency Market The nature, function and growth of the market. Profitability in Euro-currency lending—an analysis of the risks and rewards currently facing banks. The Eurobond Market—development of this market and its profit potential for banks. The Foreign Exchange Market—the structure, the relationship of market-making banks to brokers, and the continuing role of the dollar as the base currency in many banks' foreign exchange operations.

Country reports and profiles of bankers These articles will describe the chief characteristics and topical developments in the banking business of each country. Each article will be accompanied by two profiles of the central bank chief and the foremost banker in the banking business.

PART 2 — 29 MAY 1979

Changes in the banking business The move towards universal banking with banks increasingly anxious to diversify their activities. The chief developments in the business of banking for the consumer. The rise of the savings banks. Investment banks, merchant banks and consortium banks—what role is left for these specialist institutions as the move towards universal banking continues? Correspondent banking.

The Regulatory Framework International bank regulations—there have been persistent calls for greater degrees of transparency and supervision in the international banking market. U.S. bank regulations—this highly developed system in the biggest banking market affects the development of the international banking business. Accounting conventions—lack of comparable accounting rules makes it very difficult to compare even the largest banks in the world. The role of the Bank for International Settlements in providing a forum where bankers (from Comecon too) can discuss currency intervention and banking supervision.

International Banking Centres These articles are to describe the characteristics and development of the better known banking centres. There is an introduction giving a brief account of the share of the international banking market accounted for by each centre and any broad geographic trends:

City of London
New York
Zurich
Frankfurt
Paris
Tokyo
Hong Kong and other Far East centres
Middle East centres

Country reports and profiles of bankers These articles will describe the chief characteristics and topical developments in the banking business of each country. Each article will be accompanied by two profiles of the central bank chief and the foremost banker in the banking business.

For further information please contact:

Helen Lees
Financial Times, Bracken House
10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 Ext. 238

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

UK COMPANY NEWS

FINANCE FOR CLOTHING ENTREPRENEURS

A scheme to point hesitant bank managers in the right direction

BY RHYS DAVID

THE CAUTION which the industry make the moves which are needed into higher added-value products incorporating a greater degree of fashion and design and less susceptible to imports pressure, said Mr. Koppel.

The solution to the problem suggested by Kurt Salmon Associates (KSA), a U.S. consulting group with branches throughout the world, is a specially designed checklist, developed originally for German needs but now being made available to banks in the U.K. The list consists of 20 questions which a bank manager who lacks any previous knowledge of the clothing industry can pose to companies requesting additional credit.

They are set out in a grid, with panels alongside each question giving further guidance on the circumstances in which it is applicable, and whether it applies to textiles, apparel or distribution, or any combination of these. KSA's own explanatory comments are in another panel and the last is left blank so that the bank itself can write in any remarks.

Whereas some risk is involved in all businesses, the economic and social vagaries which small clothing manufacturers have to contend with are daunting. The seasonal nature of the product means that the design, sales and production cycle begins anew every six months and with it the danger of a big drop in value of unsold goods. There is the fickleness of consumer preference for styles, fibre types, fabric constructions, colours and designs to be taken into account, not to mention the ever-present threat of imports. Furthermore, creative flair is often more important in the success or otherwise of a company than capital assets. Yet how does the average bank manager begin to assess all this sitting behind his desk in the High Street?

Very often he will simply decide to play safe rather than back an enthusiastically presented case which could result in the applicant moving into a new product or segment of the market—building up his own trade and creating new business for the bank. Yet as a report, entitled the Structure and Financial Resources of the Clothing Industry, drawn up for the Bank of England last year by Mr. Pat Koppel, a former deputy chairman of Courtaulds, pointed out, the banks ought to be lending not just to well-established companies within the clothing industry, but to others able to show that they are able to spot new opportunities. Only in this way could

the first question on the list deal for example with risks from competition and asks whether the applicant for additional finance has made a detailed assessment of the future effects of overseas and domestic competition. KSA's comment alongside draws attention to the increasingly international character of trade in fashion goods. Other questions seek information on alternative measures considered by the applicant about possible savings from improving existing production and sales performance, about whether any study has been made of the way the market is likely to evolve over the medium and long-term, about collateral security, return on assets and management performance.

The questions in themselves sound anything but complex and many banks will claim that they already cover these points. According to KSA, however, even where this does already happen the chart will still help by setting out the sort of questions that need to be asked in a systematic manner. The framework it provides for examining a case will also discourage a bank manager from looking no further than the

balance sheet in making his judgment. "The bank attitude which is not be too often is 'if in doubt do nothing.' If the balance sheet is not right the applicant for funds is likely to be told to come back when it is," says Mr. Harry Lack, managing director of KSA (UK).

The banks deny this, claiming that viable schemes are unlikely to be rejected. The KSA scheme, however, aims to recover for the economy some of those that at first sight may appear too much of a risk. Surprisingly as it may seem KSA also believes that companies seeking funds will themselves often not have asked the questions on the checklist. It may be useful therefore in helping companies to think through their own development plans and to improve the formulation of the case they put before their bank managers.

The questionnaire was devised by KSA originally at the request of German banks which found themselves lending more and more to their clothing and retailing clients as many of these businesses ran into problems in the wake of the recent recession. The German banks, which have traditionally had much closer involvement with local industry than their British counterparts, were being drawn even further into the management of these clothing businesses as their lines of credit lengthened or their shareholders increased, but they lacked sufficient knowledge on what should be done next.

"We decided the system could be applied just as easily to the UK even though the problem here has not arisen in exactly the same way," said Mr. Lack. In Britain, he points out, the small clothing manufacturer is likely to turn up at the bank asking for extra finance perhaps because he has made a success of making-up garments for bigger groups and wants to start making his own products. Such a manufacturer is likely to be borrowed up to his local bank's lending limit, and the company's balance sheet may not be strong enough to pass the scrutiny of officials at a higher level within the bank. At the same time its borrowing requirements may be too small for other financial institutions which want to place medium term loans of perhaps £100,000.

The checklist so far has attracted interest among manufacturers, many of which are finding that it helps them to analyse their own thinking. The job of selling it to the banks, however, is now about to start and KSA is hoping to announce soon the appointment of a consultant who will take the system to the banks and explain how it can help them. The firm hopes eventually to be able to organise courses for the banks at which it can lend its experience towards the training of bank officials in dealing with credit applications from the clothing sector. The system could be extended too. KSA believes, to other sectors, where, as in clothing, there are distinctive problems and requirements.

There's only one way to take Glenfiddich.[®]

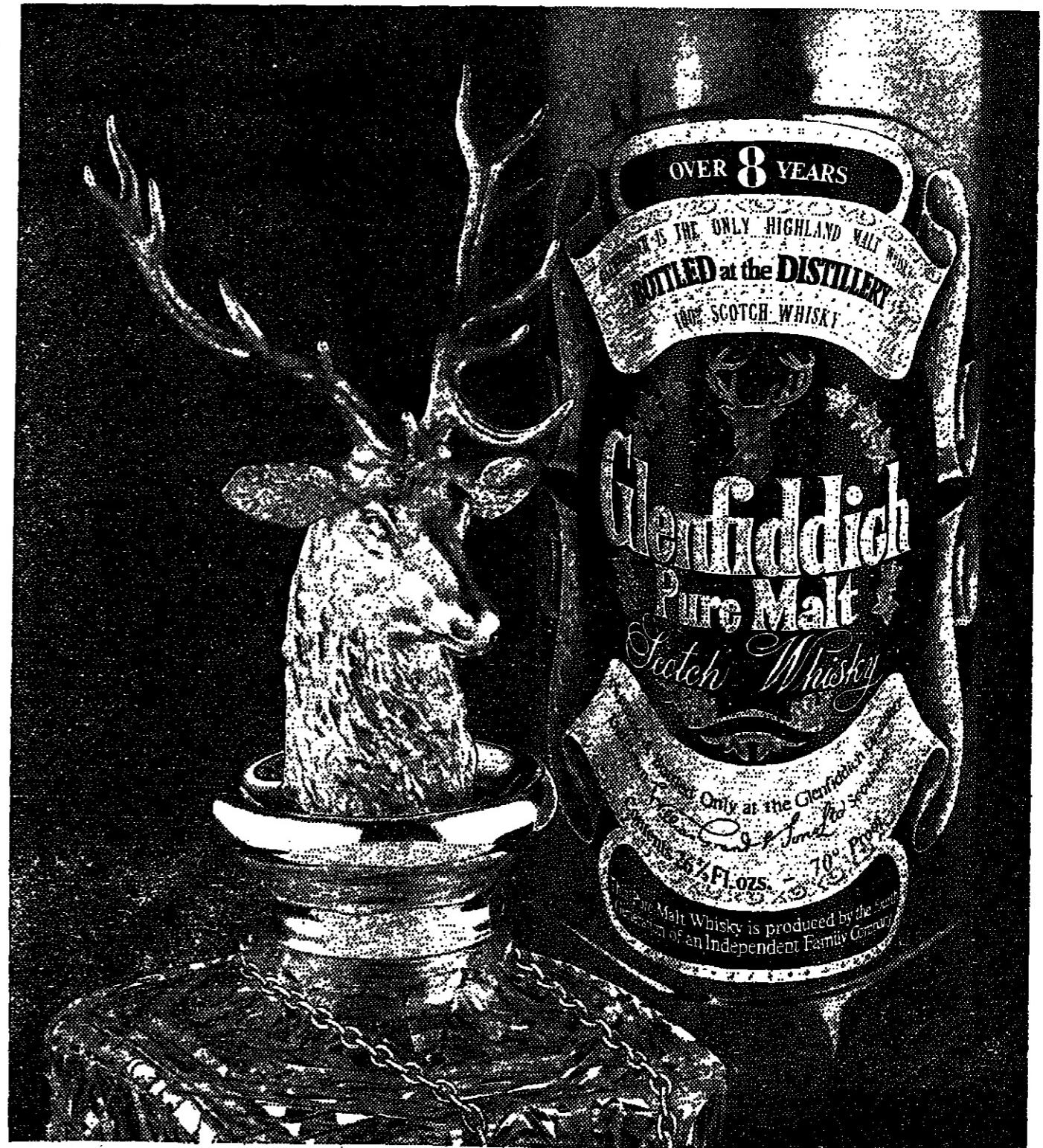
Seriously.

You can take it straight.
Or with a little plain water.

But do remember that you're tasting no ordinary Scotch. Glenfiddich is a pure, single malt. Distilled in the ancient way, in traditional hand-beaten copper stills. The result is, perhaps the finest whisky the Highlands have to offer.

Take it slowly. Take it seriously.

'Glenfiddich' in Gaelic means 'Valley of the Deer.'





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Fluorocarbon based products, Fibre Reinforced Composites and Coated and Uncoated Industrial Textile Fabrics.

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TURNOVER UP 22% TO £14.7m.

PROFIT BEFORE TAX UP 56% TO £1.6m.

DIVIDEND PER SHARE OF 25p. (net) UP TO 6.94p.

PROSPECTS

Recent months have shown a lowering of economic growth forecasts, a need for tight monetary controls in the U.K. which depresses the level of demand and industrial unrest over remuneration levels. The impact of these factors which began to affect our business in the last few weeks of 1978 make it difficult to take an optimistic outlook for the current year. However, with the developments we have in hand, we have planned for further profits growth but not at the record rate we achieved in 1978.

Fothergill & Harvey Ltd, Summit, Littleborough, Lancashire

British Mohair Spinners

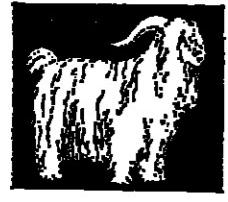
A very satisfactory result

Taking into account that 1978 from a trading point of view was probably the most difficult year that the industry has experienced since the end of the war in Europe, the increase in turnover and profits reflect great credit on all concerned.

Whilst many firms in the textile industry have been seriously affected by cheap imports into Britain, the Group has not suffered unduly from this problem. Fortunately, our products are all highly specialised requiring craftsmanship and experience and are very difficult for other manufacturers to make.

We shall continue to search for new markets and, whilst planning to increase our turnover in specialised yarns, we shall at the same time introduce better and more economic methods of production.

T. W. Hibbert, Chairman.



Year ended 31st December	1978	1977	1976
	£'000	£'000	£'000
Turnover	25,817	24,132	20,125
Profit before tax	2,826	2,406	2,094
Earnings*	11.53p	9.88p	8.48p
Net dividend*	3.14p	2.72p	2.46p
Tangible asset value*	76.01p	66.77p	58.50p
*per ordinary share			

Companies and Markets

UK COMPANY NEWS

MINING NEWS

Japan securing coal life-lines

FURTHER comment comes from Charles Smith in Tokyo on the news reported here yesterday that Japan's semi-governmental Electric Power Development Corporation (Dengen Kaishatsu) is negotiating to acquire a 15 to 20 per cent stake in Blair Athol Mining, the Australian company which owns potentially vast reserves of steam coal in Queensland.

The EPDC, which is spearheading plans for the development of coal-fired electric power stations, would like to import up to 10m tons of coal from Blair Athol by the mid-1980s but is making the acquisition of a capital stake in the company a pre-condition for negotiating a long-term purchasing contract.

Blair Athol's present shareholders, Consign Rio Tinto of Australia (62 per cent) and Atlantic Richfield (38 per cent) are believed to have agreed in principle to transfer part of their shareholdings.

Production at Blair Athol is currently running at around 100,000 tons per year, but reserves are estimated to be at least 200m tons. The expansion programme being contemplated by EPDC and the mine's existing owners would involve the construction of a port and a 280-kilometre railway line. Costs are estimated at around A\$4bn

(£2.15bn), although this is said to be a highly provisional figure.

EPDC is a 70 per cent government controlled power generation company, which sells electric power on a "wholesale" basis to Japan's nine privately-owned regional power generating companies (which also own the other 30 per cent of EPDC's shares).

The corporation operates the only power station in Japan fuelled solely by (domestically produced) steam coal and is far ahead of the rest of the industry in construction of power stations designed to use imported coal.

EPDC's Matsushima power station, due for completion in January 1981, will be the first imported coal burning power station to come into operation in Japan (with an annual consumption of 2.4m tons). A second plant with estimated annual requirements of 1.4m tons of coal is due to come on stream in 1982 to be followed, in 1984, by the much larger Matsushima plant (in the south island of Kyushu) which will consume 8m tons of coal per year.

EPDC's interest in the expansion of the Blair Athol mine appears to be directly related to the Matsushima project. Matsushima will probably be operated jointly with Kyushu Electric Power, a privately owned power generating company, which may

eventually buy out part of the EPDC stake in Blair Athol assuming negotiations with the mine's existing owners are successful.

Apart from its interest in the Blair Athol mine EPDC holds a 10 per cent stake in the Mount Arthur coal mine in New South Wales which may eventually yield between 1m and 5m tons per year (depending on the result of feasibility studies). The company has also signed import letters of intent with independent New South Wales mining companies.

The other main source of coal for EPDC's new power stations will be China. The China-Japan Long Term Trade Agreement, signed in February 1978, provides for the supply of 3.6m tons of steam coal to Japan over a five-year period ending in 1982.

EPDC's plans for coal-fired electricity generation are being made within the framework of a Ministry of International Trade and Industry guideline which calls for the electric power industry to step up its generating capacity to 40,000 Mw by 1990.

EPDC officials, however, express doubts about the attainability of this figure. They consider that actual consumption is more likely to reach 20m to 30m tons by the end of the decade. The main obstacle to a faster rate of

progress is the difficulty of finding suitable sites for new power stations.

Benguet moves against trend

IN A reversal of the trend established by other mining companies, Benguet Consolidated, the gold producer in the Philippines, has experienced a sharp fall in first-quarter income, reports Lee Gonzaga from Manila.

Net income fell to Pesos 18.2m (£1.18m) from Pesos 34.5m in the same period of 1978, primarily because of a lower contribution from Engineering Equipment, the group's profitable subsidiary, which had to contend with revenues coming in more slowly from Middle East contracts.

Elsewhere in the mining industry better results are the rule:

• Atlas Consolidated, the country's leading copper producer, had 1978 first-quarter net profits of Pesos 37.3m (£5.7m) compared with Pesos 1.6m for the 1978 first quarter.

• Marinduque Mining and Industrial, whose interests range through copper, nickel and cement, had a net profit in the three months to March of Pesos 42m (£2.7m) compared with a loss of Pesos 98m in the comparable period of 1978.

These three companies, as well as Benguet, expect profits this year to be higher than during 1978, and they are pressing ahead with development projects.

Benguet is pressing ahead with the Dizon copper project in Zambales province in central Luzon, while Atlas has a new gold project in Aroroy in the central Philippines. For its part Marcopper is developing a second copper orebody near existing operations on Marinduque island in the central part of the country and Marinduque Mining is increasing both its copper and nickel capacity.

ROUND-UP

South Africa's Randfontein Estates Gold Mining will adhere to a conservative dividend policy this year notwithstanding its large cash flow, the chairman, Mr. Bernard Smith, told the annual meeting in Johannesburg. Dividends totalled 450 cents in 1978 against 350 cents in 1977 following a pre-tax profit of R72.3m (£41.4m) against R48.3m in 1977.

But the company is considering a further capital programme which involves a new shaft complex.

Increase for C. H. Pearce

PROFITS of C. H. Pearce and Sons, builder and contractor, rose by 19 per cent to £473.59m for the year ended November 30, 1978, and the directors state that the full year's result should exceed the £500m achieved in 1977/78.

With turnover showing an increase of 11 per cent to £474.7m, the result reflects an improvement in margins.

The directors point out that the figures for the 1977 half-year have been restated as a result of the change in accounting basis to incorporate SSAP 19 with regard to stocks and work in progress.

The interim dividend is increased from 1.5p to 1.45p, the total for 1977/78 was 3.75p.

After a tax of £26.22m (£20.95m), and taking in a profit of £16.92m on the sale of freehold property, the net profit amounts to £244.06m (£161.031).

W. Morrison well equipped for 1979/80

In his statement to shareholders, Mr. K. D. Morrison, chairman of W. Morrison Supermarkets, says the company is well equipped to take advantage of all opportunities during the current year.

Sales have reached better levels than last year, but he adds that costs are now increasing faster than sales, and that every effort is having to be made to make all possible operational economies. A further progress report will be given at the AGM.

As reported on April 6, taxable profits for the 53 weeks ended February 3, 1979, rose from \$2.83m to \$3.57m on sales of \$11.21m (\$8.67m). The dividend is effectively raised, with Treasury permission to pay net per share against 0.782p. Results do not include extraordinary debits of \$530,000, associated with the Whealans' acquisition.

Developments in the current year will enhance the company's retail sales area by some 120,000 sq ft Mr. Morrison says; a number of additional sites are at the final stage of negotiation or awaiting planning decisions, he adds.

Construction of the 70,000 sq ft fresh food factory was considerably delayed but is scheduled to start in the near future. This project will enable the company to widen profitability its range of fresh bacon, cheese and manufactured meat products.

Meeting Bradford, on May 31 at 11 am.



THE SOUTH AFRICAN BREWERIES LIMITED (INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA)

Preliminary Results and Final Dividends for the year ended 31 March 1979

COMMENT

EARNINGS AND DIVIDEND

Group
In November, Shareholders were advised that earnings for the first half of the year were 6% ahead of the previous year and that it was anticipated that earnings in the second half of the year would match those of the previous year. In the event, earnings for the second 6 months were 19% ahead of the previous year.

Earnings attributable to ordinary shareholders for the full year at R56.9 million (equivalent to 25.7 cents per share) improved by R7.7 million or 15%.

In the light of the improved results the Directors have decided to increase the final dividend by 1.0 to 9.0 cents per share, making a total for the year of 12.0 cents (1978: 11 cents).

Diversified Interests

The Group's retail, hotel and furniture manufacturing divisions turned in excellent performances and approximately three-quarters of the increase in Group taxed profits was derived from these activities.

Liquor Interests

The market has experienced intensive competition at all levels in the last six months. Aggressive marketing in the beer industry has increased volumes and the Beer Division fared well and improved profits significantly while maintaining market share. Stellenbosch Wine Trust Limited did well to hold last year's profit levels in view of the static wine and spirit industry volumes.

NEW DEVELOPMENTS IN THE LIQUOR INDUSTRY

In the interim announcement reference was made to the fact that the Company would seek permission from the Minister of Justice to act in parity with its competitors in terms of involvement in the retail liquor trade. Permission has not yet been forthcoming.

A Board of Trade Inquiry into the monopolistic conditions in the industry has been ordered by the Minister of Economic Affairs and the Company welcomes this development.

Future Prospects

It is anticipated that the general upturn in the economy will continue to accelerate during the year as a result of the stimulatory measures contained in the fiscal budget. Against this background, consumer spending should increase satisfactorily and impact favourably on Group turnover. It is anticipated that costs and margins can be maintained to produce further satisfactory growth in earnings.

For and on behalf of the Board
F. J. C. Cronje (Chairman)
R. J. Goss (Managing Director)
2 Jan Smuts Avenue
Johannesburg 2001
9 May 1979

FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT

The unaudited results of The South African Breweries Limited and its subsidiary companies for the year ended 31 March 1979, compared with those for the previous year, are as follows:

Turnover	1979	1978	1979/78 Change %
Rm	Rm	Rm	%
Operating profit before interest and taxation	130.3	115.8	12.5
Net interest paid	20.3	19.1	
Interest	110.0	96.7	
Taxation	41.7	37.4	
Dividend income	6.7	5.2	
Group profit after taxation	75.0	64.5	16.3
Attributable to outside shareholders	11.6	8.2	
Preference dividends	3.9	4.5	
Earnings attributable to ordinary shareholders	59.5	51.8	14.9
Additional replacement depreciation	2.6	2.6	
Adjusted earnings attributable to ordinary shareholders	56.9	49.2	15.7
Extraordinary items	0.5	(0.1)	
Ordinary dividends	26.7	24.2	
Retained earnings	29.7	25.1	
Earnings per ordinary share (cents)	26.83	23.56	13.9
Before additional replacement depreciation	26.66	22.37	14.7
After additional replacement depreciation	3.00	3.00	
Dividends per ordinary share (cents)	9.00	8.00	
Interim	12.00	11.00	8.3
Final			

CONSOLIDATED BALANCE SHEET

31.3.1979 31.3.1978

	Rm	Rm
Capital		

J. M. H. S.

Matthew Hall climbs by £1m to over £7m

OVER £1m growth in trading profit from oil, coal and chemical engineering activities at Matthew Hall and Co. more than offset a decline in electrical services in 1978. The group finished the year with taxable earnings up from £6.2m to a record £7.17m of which £2.33m, against £1.85m, came in the final quarter.

The mechanical services sides made a substantial profit, largely from its building engineering services operation, and a move into profitability by the two-year-old Saudi Arabian associate.

There were poor results from Holiday Hall, the electrical contracting subsidiary and the north-east plumbing concern George M. Blilbrough with both companies showing some losses in contracts. However Sir Kinsley Speir, group chairman, anticipates improvement in the current year.

Total sales were £1.8m higher at £17.4m. The surplus on mechanical and electrical services together fell from £2.9m to £2.28m but turnover here was up at £9.23m (£81.23m). Oil, coal and chemical engineering profit advanced from £1.92m to £2.95m on sales down £3.34m at £83.06m.

After tax, adjusted in line with SSAP 15, of £3.34m (£2.93m) stated earnings per share emerged at 33.46p (28.25p). Treasury consent has been given to a p/e of 8 while the yield is 4.7 per cent.

Comment

Matthew Hall's full-year results are at the top end of both the company's forecast and market expectations, thereby fully justifying the sharp rise in the share price in recent months. The oil, coal and chemical engineering profit advanced from £1.92m to £2.95m on sales down £3.34m at £83.06m.

After tax, adjusted in line with SSAP 15, of £3.34m (£2.93m) stated earnings per share emerged at 33.46p (28.25p). Treasury consent has been given to a p/e of 8 while the yield is 4.7 per cent.

obtained for a net total dividend lifted to £4.854p (7.1828p) by a 6.5194p final. A one-for-two scrip issue is also proposed.

The company also announces that under a contract worth about £700,000, Matthew Hall Ortech is to act as consultants to the National Coal Board for the design of two pilot plants to evaluate processes which could offer a competitive conversion of coal into oil. As well as designing the pilot plants, it will undertake a cost and design study for two commercial plants each having a coal feed rate of 500 tonnes per hour.

One process to be investigated will make use of the solvent properties of supercritical gases to produce an extract for hydrocarbon. The other will make use of a liquid solvent.

SUMNER CLOSES FACTORY

Industrial group Francis Sumner (Holdings) is to close one of its factories, Delta Mill, operating in the Cotton and Rayon Spinners subsidiary.

The closure is to be made after full consultation with the unions.

The subsidiary's other two mills are operating profitably and will continue as normal. It is expected that some of the workers will be offered alternative work in one of these factors, along with the tough conditions still prevailing in the construction industry, explain

Growth in Prudential Assurance investments

THE BOOK value of investments at the end of 1978 of the Prudential Assurance company, the principle life and pensions subsidiary of the Prudential Corporation, increased by 10 per cent to £4.83bn. The market value advanced by nearly 12 per cent to £5.07bn.

The ordinary life fund rose from £2.92m to £3.28m. Regular premium income jumped by 16 per cent to £434m and single premiums by over 16 per cent to £61m. Investment income was 14 per cent higher at £271m.

In the industrial branch, the fund advanced from £1.01bn to £1.1bn. Premium income was 11 per cent higher at £168m and investment income by 17 per cent to £121m.

On overseas fire and accident business an underwriting profit of £23m was recorded against a marginal loss in 1977. Thus on world-wide general business the underwriting loss was cut from £3.9m to £2.9m.

was a question of keeping the company's efforts aimed towards the up-market sector of the British and overseas market to avoid the discounting for volume which seemed predominant within the lower sectors.

In 1978, taxable profits expanded from £312.627 to £650.068, on turnover ahead from £7.84m to £8.67m.

UEI goes ahead to £1.5m

H. Mackay better in first quarter

TAXABLE profits of United Engineering Industries advanced from £1.01m to £1.53m for the year ended January 31, 1979 on turnover ahead from £5.85m to £9.97m.

Treasury permission has been given for the company to lift the total dividend from 2.2212p net per 100 shares to 3.65p with a final of 2.3p. There is also a one-for-two scrip.

Volume was very slightly higher against the trend. But with the strength of sterling, exports were not quite as buoyant. The chairman said profitability

OTTOMAN BANK

Notice is hereby given that a DIVIDEND at the rate of £3.10 per Share, voted at the General Meeting of Shareholders, held on 8th May 1979, will be PAYABLE on and after 8th June 1979, in London at the Office, 23 Fenchurch Street, E.C.3.

The Coupon to be presented is No. 106. The holders of Founders' Shares will receive an amount of £334.36 per whole share payable on the same date and at the same place, against presentation of Coupon No. 49.

Coupons must be listed on forms, which can be obtained on application, and left five clear days for examination before payment.

Friends Provident lifts bonus rates

Friends' Provident Life Office, a leading mutual life company, has increased substantially its terminal bonus rates payable on death or maturity claims.

On all ordinary life contracts, except the flexible savings plan, the rate is lifted from 25 per cent to 35 per cent of attachable bonuses. The company last increased this rate at the beginning of 1978, and this latest rise reflects the recent strong movement in the equity market and continuing firm property values.

Friends' Provident is the first life company to react to the recent rise in equity prices.

However, the rate for flexible savings plans remains at 25 per cent, at least for the time being. The company points out that these contracts offering a wide range of guaranteed cash values does place some restraint on the choice of investments.

The company is introducing a new terminal bonus for its current series of self-employed pension contracts—both single and regular premiums. The rate will be 12½ per cent of attaching bonuses before a commutation takes place. This series was started in October, 1976.

On executive benefit schemes the interim rate of reversionary bonus is increased from 28 per cent to 28.30 per cent compound. The rebates for premiums over £200 per annum is also being improved.

To measure the effect of this latest increase on ordinary life contracts, a policy taken out in 1954 for a sum assured of £1,000 would have a maturity value of £2,700 prior to the increase but now would get £2,838—a rise of 5 per cent.

IRON TRADES INSURANCE COMPANIES

GROUP RESULTS FOR 1978

	1978	1977
	£000	£000
Premiums Earned	£63,825	£51,278
Underwriting Results		
Employers & Public Liability	(866)	(972)
Fire, Accident & Marine	(327)	(468)
Investment Income	(1,193)	(1,440)
Profit before Taxation	12,726	9,122
Less Taxation	4,583	2,784
Profit for Year after Taxation	9,143	6,338
Appropriations:		
Transfer to Claims Provisions	4,000	2,000
Transfer to Bonus Account	1,100	850
	5,100	2,850
Transfer to Reserves	£4,043	£3,488
Statement of Reserves		
Reserves at beginning of year	14,494	11,006
Transfer from Profit & Loss Account	4,043	3,488
Consolidation Reserve	250	250
Reserves at end of year	£18,787	£14,744

EXTRACTS FROM THE ANNUAL ACCOUNTS AND ANNUAL STATEMENT OF DR. DENIS REBECCK, CHAIRMAN

Group premium income was £64 million and assets are over £175 million at book value. In furtherance of your Board's determination to continue the sound and well-financed growth of our wholly owned subsidiary, Iron Trades Mutual Insurance Company Limited, an additional £2 million of paid-up capital has been subscribed by the Association.

Iron Trades Employers' Insurance Association Limited

Premium income of the Association has increased to over £46 million, of which £43 million has been provided for claims. The company made a profit of £8.4 million after allowing for an underwriting loss of £0.9 million.

In recent years I have reported in some detail about the problems of the Association in relation to retrospective deafness claims. I am glad to say that almost 1,000 claims have been settled and this, together with the recent Court decision in McGuinness v. Kirkstall Forge gives support for cautious optimism as to the overall level of settlement.

Employers' Liability insurance is long-term business and because of this substantial funds are created. Your Board gives considerable attention to investment policy. The contribution made by investment income has helped to expand our capital base, provide a bonus and also meet the additional burden of retrospective claims. We are unashamedly reserve minded and this emphasis can be seen in the accounts where a further £4 million for retrospective claims has been added to the provisions. Furthermore the free reserves, which for a mutual company are its only capital base, have increased by 26.5% to stand at £15.7 million.

Iron Trades Mutual Insurance Company Limited

A policy of expansion and diversification has been actively pursued over the last five years and the success of this is shown in the accounts. Still further expansion is planned and this will be through the medium of insurance brokers.

The liability account continued along sound lines and premium income, now exceeds £4 million all of which was obtained in the United Kingdom.

Material loss insurance is still suffering from severe international competition, but despite reduced rates, premium development was satisfactory. An underwriting agency, in which we have a shareholding, was appointed to write a London market fire account solely through insurance brokers and worldwide premium growth is expected during 1979.

The lack of progress in the motor account was due to a substantial increase in our rates combined with a more selective approach to risks. This action was necessary to combat the increasing cost of motor claims which still shows no signs of abating. A resumption of growth on a sound basis is anticipated in 1979.

The marine account, written through Solar Underwriting Agencies Ltd., continues to expand.

There has been a marked improvement in the level of investment income and after absorbing the losses on the underwriting accounts a surplus before tax of over £2 million has been achieved.

Iron Trades Insurance Companies, Iron Trades House, 21/24 Grosvenor Place, London SW1X 7JA.

The Company has been moving towards a more concentrated organisation based on strategically selected main business areas, which will provide a firm base for future growth and profitability. This period of reorganisation and change is inevitably disruptive and painful in some areas but it is essential to ensure our competitiveness and commercial viability.

Developments in main business areas include the new manufacturing facility to produce automotive components in Sanford, North Carolina, which should be ready to start production by the end of the year. We have taken also a number of moves to strengthen our position in the wholesale and industrial distribution sector including the acquisition of Stern Osmat (housewares, gardening and leisure equipment) and Parts Industries Corporation of Memphis, Tennessee (automotive replacement parts and accessories).

Exports from the United Kingdom showed an increase to £225 million from £203 million in 1977. On a Group basis, sales to the USA totalled some £72 million, an increase of 65% over the preceding year. This fine achievement reflects the success of our automotive companies in enlarging their share of the North American market for vehicle components.

I thank everyone in the Company for their understanding and loyalty and for their tremendous efforts in improving our performance last year.

RESULTS IN BRIEF

	1978	1977
	£ million	£ million
Turnover	1754.7	1639.2
Surplus before depreciation	157.7	139.9
Depreciation	61.4	56.8
Profit before taxation	87.3	72.3
Taxation	41.6	31.7
Dividends	26.3	23.5
Retained profit	13.3	9.3
Capital expenditure	85.3	70.8

1978 SALES

	%
Primary metal products	14
Automotive components	41
Wholesale and industrial distribution	20
General and civil engineering products and services	25
	100



GUEST KEEN AND NETTLEFOLDS LTD

If you would like a copy of the 1978 Annual Report please write to:
Guest Keen and Nettlefolds Limited, GPR Dept.,
GKN House, 22 Kingsway, London WC2B 6LG
Tel: 01-242 1816 Telex: 24911

GPU in moves to avoid insolvency

JOHNSTOWN — General Public Utilities Corporation (GPU) is reducing its workforce by about 5 per cent to stave off a financial crisis in the aftermath of the Three Mile Island nuclear accident. Mr. William Kuhns, the chairman announced.

Mr. Kuhns also said that GPU executives have agreed to cut backs in pay to 1978 levels, thereby foregoing 7 per cent increases.

At a Press conference ahead of the annual meeting, Mr. Kuhns said General Public Utilities would "face insolvency" unless it is able to wrest rate increases from Pennsylvania authorities and arrange a proposed \$450m line of credit.

He added later that he would know within two weeks whether the credit line could be arranged. Two of the banks, Chemical Bank and Citibank, have agreed to supply \$15m of the credit provided that other banks commit \$285m by May 15. The other \$50m will be arranged later.

Since the March 28 accident, which put the company's nuclear reactor at Three Mile Island out of service for an indeterminate period, General Public has had to pay \$24m a month to provide alternative energy for customers.

Meanwhile, Mr. Laurence A. Tisch, chairman of Loews Corporation, the insurance and hotel group, said the company's share of the losses at the Three Mile Island nuclear plant through Loew's CNA Financial Corporation will be about \$6m. Reuter

Marginal rise for Asbestos Corporation

By Robert Gibbens in Montreal
ASBESTOS CORPORATION, the second largest fibre producer in Quebec which is currently under threat of expropriation by the Government, has reported first quarter earnings of C\$4.4m (US\$2.94m) or C\$1.21 a share against C\$3.3m or C\$1.16 a share on sales of C\$43m against C\$28m. The company said the improvement in earnings was small, mainly because of a lower grade of ore being mined. The grade in the second quarter will be above average and results in April confirmed this trend.

Earnings for the full year will show an improvement over 1978 when C\$15.7m or C\$5.51 a share was earned on sales of C\$147m.

OUTLOOK IN THE U.S. INSURANCE INDUSTRY

Better prepared this time round

BY DAVID LASCELLES IN NEW YORK

THE COUNTRY'S worst nuclear accident and catastrophic series of tornadoes, floods and chemical accidents got 1978 off to a bad start for the U.S. insurance industry, which was facing leaner times anyway as its traditional 4-5 year cycle started on a downward path again.

The first quarter results show a slight deceleration in earnings growth, bearing out this expectation. But the industry is hoping, and many analysts believe, that the trough could be less deep this time than it was in 1974/75.

Certainly, the recent momentum has been strong. All the major publicly-owned companies had good results last year. Earnings were up 20 per cent or more, and revenues slightly less, indicating continuing improvements in profitability.

Among the reasons were increases in premium revenues, lower loss ratios, favourable mortality trends and higher investment income, along with the benefits of cost-cutting programmes launched after the last recession.

On the whole, the industry has also been able to obtain the Regulators' permission for rate increases to offset the fast-rising cost of claim settlements, particularly in the motor and medical fields, although this is a constant battle.

Most companies profess caution about the prospects. Typical were the remarks of Mr. Carl Drake, chairman of St. Paul Companies: "There are signs that insurance industry earnings for 1979-80 will increase only modestly over an

excellent 1978, or even decline somewhat. We expect our own underwriting profit margin to narrow during 1979-80. But we could be good."

Aetna, Travellers, American International Group and Continental Corporation, four of the country's largest insurers, also believe the cycle has just peaked, but they too express a degree of optimism about their earnings prospects.

One reason is that the industry learnt a hard lesson during the 1974 recession, one of the worst it suffered, and has built up better defences this time round.

Mr. Philip Roberts, director of finance and planning at Aetna, commented: "The cycle seems to have turned negative again, but we expect the process will be slower and shallower, because the industry is more heavily reserved, and the principles governing reserves are more conservative." Aetna's investment income on the property casualty side was over \$200m last year, he notes. Travellers, for instance, says the industry-wide combined ratio, the ratio of losses and expenses to premiums, is unlikely to exceed 103, against 108 last time.

Continental's chairman, Mr. John Ricker, said: "We have much improved controls and our loss reserves are in much better condition than the last time we faced these particular conditions."

Even so, the industry is not anticipating an easy time, with costs and the intensity of competition its main concerns. Mr.

Wheeler Hess, senior vice-president in charge of casualty, property and commercial lines at Travellers said: "The nice you could put it is that we feel pretty challenged."

The question of costs is particularly hot, since insurance premiums always become highly political in inflationary times, and there is a strong possibility that the state insurance superintendents will try to force insurers to keep their premium

to insure properties in certain decayed or high crime areas, or cars in states with high accident rates. Most deny this practice.

But Aetna says that it has adopted a tougher policy on arson pay-outs, to discourage landlords in slum areas from setting fire to their own properties and claiming the insurance. It also has a programme to increase public awareness of how arson, the cost of hospital equipment, and even court damage awards push up insurance rates.

The energy crisis may also work to the insurance industry's advantage by discouraging drivers from exceeding the 55 mph speed limit—or taking to the roads at all. According to an informal study conducted at Travellers, the numbers of miles driven per car should fall modestly if the cost of petrol goes up to \$1 a gallon, from about 80 cents now, which it is widely expected to do within a year or so.

But the balance between profit and loss in 1979-80 could well depend on the strength of the industry's investment income.

Mr. Frederick Townsend, analyst at Connings, the securities firm in Hartford, Connecticut, the centre of the country's insurance industry, estimates that a 15 per cent rise in such income this year could offset a 3 per cent drop in premium income for most of the industry.

This has enabled insurance companies to increase their premium income without necessarily increasing premiums.

In some of the more controversial areas, companies have suffered sharp drops in earnings this year, though profit margins, he expects, will be reduced to about 2.5 per cent.

Mr. Hess adds: "The growing complexity of insurance law, gives the insurance companies longer use of their investments—a useful bonus."

There is also a steady growing public acceptance of the practice of automatically adjusting home-owner coverage to include the effects of inflation on replacement costs. In many cases the home owner has little choice. The standard policy requires him to insure 80 per cent of the value of the house.

This has enabled insurance companies to increase their premium income without necessarily increasing premiums.

He also believes that well-managed companies need not suffer sharp drops in earnings this year, though profit margins, he expects, will be reduced to about 2.5 per cent.

Mr. Townsend adds: "The insurance industry is well positioned to benefit from the general economic

improvement in the economy."

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Companies and Markets INTNL. COMPANIES and FINANCE

GERMAN ELECTRICAL ENGINEERING

Losses soar at AEG-Telefunken

BY GUY HAWTHORN IN FRANKFURT

AEG-Telefunken's recovery has been further delayed by massive losses in 1978, and the management's target of a return to dividends in 1980 is no longer regarded as attainable.

The electrical group reported a loss of DM 337m (\$177.9m) for last year—almost 10 times as much as the previous year's DM 36.4m deficit. Furthermore there is also likely to be a large loss this year.

Herr Walter Cipa, the group's chief executive, blamed the vast increase in losses on currency fluctuations, low levels of overseas demand, foreign competition and, above all, the group's disastrous involvement in the nuclear energy field.

Siemens, West Germany's largest electrical concern, has acquired AEG's 50 per cent share in Kraftwerk Union, the country's leading power station builder. But AEG remains responsible for the losses on contracts it brought in KWWU. These have topped by DM 215m the DM 1bn reserve AEG had set aside to cover them.

In the export field, the declining dollar hit the group hard, said Herr Cipa. It reached its low point in the third quarter of 1978 exactly at the time when AEG's export efforts are most intensive. The fall in the dollar cost the group some DM 70m and further depressed an international performance already affected by a slower

than-expected improvement in foreign demand.

At home the markets in which AEG is particularly strong fared less healthily than the management had forecast. Ironically, the main impetus for growth came in the communications and information technology sector—one in which AEG will not be able to participate to its full potential until the 1980s.

In high voltage technology, shipbuilding equipment and radio, television and recording equipment, there was either slower growth than expected or declines in demand. During the first quarter of this year sales were "somewhat under" the level of the com-

parable period of 1978. Excluding Hartmann and Braun they were 8 per cent lower while orders were down 2 per cent.

Furthermore, the latest losses have eroded the group's capital base and steeply increased the level of gearing. At the end of 1978, own capital resources accounted for just 14 per cent of operating capital compared with 18 per cent a year earlier.

Herr Cipa had little tangible to offer shareholders. The major efforts at restructuring the group would be stepped up, he said. He warned that these could hit the profit and loss account this year but said they would show benefits in the near future.

Siemens all-square in first half

BY ADRIAN DICKS IN BONN

SIEMENS raised its pre-tax profits for the first half of this year by DM 3m to DM 280m (\$148m) despite what appears to be an increasing financial burden from its subsidiary, Kraftwerk Union.

Group orders during the six months up to the end of March were up only 1 per cent to DM 14.6bn. Leaving KWWU out of account, however, the gain was 7 per cent, with exports up 4 per cent and sales within West Germany climbing by no less than 10 per cent during the period.

Sales during the same period were down by DM 500m for the group as a whole, to total DM 12.7bn for the six-month period. Here again, however, the results for the group apart from KWWU showed a 4 per cent gain.

The group's total order book showed a rise of 3 per cent with KWWU, and of 9 per cent without it, to stand at DM 45.3bn on March 31.

The six-monthly results appeared to confirm the optimism expressed by Siemens' chairman, Herr Bernhard Pletten, in February over the trend in

Siemens' pre-tax margins improved from 2.1 to 2.3 per cent.

Estel may break even this year

By Charles Batchelor in Amsterdam

ESTEL HOESCH-HOOGENVELD, the Dutch-German steelmaker, expects to break even this year after the sharp reduction of its loss last year. However, the effects of the severe winter and the F1 80m cost of the German steelworkers strike, which continued into the current year, mean it will be in the red in the first quarter.

If its forecast is met, this will signify considerable improvement on 1978 when a net loss of F1 288.3m (\$141m) was recorded. Any improvement depends on a further increase in steel demand and higher prices, managing board member Mr. Olivier van Royen said.

The company expects to achieve the full level of planned savings of F1 500m annually in 1979 after saving F1 350m in 1978. It expects to invest F1 550-600m this year compared with F1 545m in 1978.

Although 1978 was a bad year it did mark the beginning of a recovery, Mr. van Royen said, as sales and prices improved and there was a decline in the cost of raw materials. The most important factor, however, was the company's own retrenchment programme.

The performance of the Dutch and German sides of Estel differed as the Dutch plant was one of the first major European steel concerns to make a profit.

However the steel sector was the only one of Estel's five divisions to improve its 1978 result. It cut its pre-tax loss to F1 15m from F1 59m.

Scandinavian banks in New York move

By Hilary Barnes in Copenhagen

THREE Scandinavian banks, Copenhagen Handelsbanken, Den Norske Creditbank, and Finland's Kansallis Osake Bank, are each to acquire a 25 per cent share in Nordia American Bank, New York, which has hitherto been wholly owned by Svenska Handelsbank.

Nordic American Bank established four years ago, has an equity capital of \$11m which will be increased to \$21m through the participation of the three new banks. It will become the first Nordic bank to establish itself in the U.S., Copenhagen's Privatbank has announced that it is setting up a branch in New York.

Nordic American Bank's total assets at the end of 1978 were \$22.6m. Mr. Bent Hansen, chief general manager of Copenhagen Handelsbank, said that from the Danish bank's point of view the move was a response to the establishment of American banks in Copenhagen.

U.S. shareholder for Bastogi

By RUPERT CORNWELL in Rome

DIAMOND SHAMROCK of the U.S. will take a shareholding of between 8 and 10 per cent in Bastogi as the first stage in what seems certain to be a sweeping reorganisation of the old-established Italian financial company.

The deal, which comes after several weeks of intensive Bourse speculation, was formally announced yesterday by Bastogi. It now plans to seek shareholders' authorisation next month for an increase in its capital by up to L100bn (\$120m) from the current L128bn (\$25m), far above the originally planned rise of only L32bn.

The first phase of this increase will be taken up by Diamond Shamrock and a representative of the latter's parent company, Chemical Investment Trade Corporation, will join the Bastogi control syndicate.

However, it is clear that the link with the U.S. concern is but the first stage of what

Bastogi intends to be a substantial facelift and broadening of its shareholder base. Talks are under way with other unnamed potential foreign buyers of a stake in the Italian company but it is unlikely that anything will be finalised for two or three weeks yet at least.

A new composition of the control syndication, the largest member of which is Sig. Carlo Pesenti's Italcompo group, will be mirrored by a streamlining of Bastogi's multifarious activities. Under the umbrella of the holding company, Bastogi-IRBS, four separate divisions will be set up covering the group's building, property, engineering and miscellaneous interests.

Bastogi is now counting on these profitable ventures to attract in the new backing it is seeking, and to persuade small shareholders, who hold 46 per cent of its capital, to take up new stock. Even though Bastogi has climbed recently on the Bourse, at around L750, its shares are well below their nominal value of L1,000.

Diamond Shamrock, far from the only confirmed new face, is based in Cleveland, Ohio. It is active in the energy, chemicals and plastics and foodstuffs fields.

INI deficit more than trebled

By ROBERT GRAHAM in Madrid

SPAIN'S STATE holding company, INI, which accounts for 10 per cent of industrial production has reported a more than trebled provisional loss for 1978 of Pta 57.6bn (\$850m) compared to the previous year's Pta 18bn.

Pastor Jose Miguel de la Rica admitted that the result was "bad."

He attributed the steeper losses to INI's heavy and increased involvement in the problematical steel and shipbuilding sectors, both of which

are being restructured and the subject of heavy new investment.

Another factor, he said, was the increased cost of domestic credit that had raised INI's financial costs. The loss is before direct government grants, primarily to the coal mining group Hunosa and the naval shipyards, Bazan. When government grants are included INI's net loss is Pta 39.8bn more than seven times that of the previous year.

Of the 71 companies that INI directly controls, the main loss makers are Hunosa (Pta 14.9bn), the steel concern Ensidesa (Pta 12.4bn), the car manufacturer Seat (Pta 10.2bn), the shipyard Asea (Pta 8.1bn), the steel company Altos Hornos Mediterraneo (Pta 6.5bn) which INI bought into last year and now wholly owns, and the industrial vehicle manufacturer Enasa (Pta 5.1bn).

Senor de la Rica said that INI should not be judged solely by financial results since its objectives contained an important socio-economic content.

Sales drop for Porsche

By ANDREW FISHER in Frankfurt

POSCHE, the West German producer of prestige sports cars, has been forced by the continued strength of the Deutsche-Mark to reduce its high level of sales in the U.S. and expects its strong dependence on this market to drop further in the current financial year.

The Stuttgart-based company said yesterday that its turnover moved ahead in the first half to January 31 by 16 per cent to DM 664m (\$351.3m), with worldwide sales of sports cars up by 8 per cent to 20,530 units.

In the U.S., where Porsche sells more cars than in any other country, sales declined by 22 per cent over the six months. Although some of the slack was taken up by other foreign markets, where overall sales rose by 21.5 per cent, the company's export share eased from 72 per cent to 69.3 per cent.

The proportion of total sales made in the U.S. went down

from 53.3 per cent to 48.3 per cent. Providing some consolation, however, in addition to the stronger export thrust elsewhere, was the 18.5 per cent rise in sales to customers in West Germany itself.

Porsche believes that the best chances of offsetting its diminished performance in the major U.S. market lie in boosting car sales at home, to other European countries and to Japan. Britain is now the second largest foreign market for Porsche, followed by France, Switzerland and Japan.

The company made no comment about its earnings prospects or progress, but has already expressed the hope that it would return to its previous "high speed" growth rate after suffering in the 1977-78 financial year from the effects of the German engineering industry strike. Net profits fell last year from DM 17m to DM 10m, while turnover edged up by 12 per cent to DM 1.12bn.

SGI to sell control of hotel group

By Our Rome Correspondent

NEGOTIATIONS are at an advanced stage for Societa Generale Immobiliare (SGI) to sell its 42 per cent controlling interest in the major Italian and European hotel group, CIGA, to an undisclosed foreign purchaser.

Confirmation of the talks fits in with the known intention of the group to rationalise its interests outside the construction sector which provides most of its business, after its unhappy entanglement with Sig. Michele Sindona, the financier now under investigation in both Italy and the U.S.

SGI, however, denied reports that the foreign buyer was the Sheraton chain of hotels. CIGA, Compagnia Italiana Grandi Alberghi, operates a chain of luxury hotels not only in Venice and throughout Italy but also in many European countries, including France.

BY VICTOR KAYETZ in Stockholm

STATSFÖRETAG, the Swedish state holding company, expects its 40 or so subsidiaries to post a combined pre-tax loss this year. If it were not for the iron mining company LKAB, the forest products firm ASSA and the chemicals company Berol-Kemi, the group would show a 1979 profit.

The annual report said sales would rise nearly 13 per cent in 1979, with these three subsidiaries increasing their turnover but at insufficient prices. Prospects appear promising for some portions of the group, however. In 1978, the group pre-tax loss was SKr 928m (\$211m).

The transfer of the loss-making NJA steel company to

the separate half-state-owned SSAB steel group at the beginning of 1978 removed a major drain on Statsföretag's finances. State-aided reconstruction efforts at LKAB and at Udicomb, which makes equipment for the nuclear power and chemicals industries, will limit the impact of their expected losses on the 1979 account, the report said.

Although Statsföretag was willing to help the state solve employment and regional development problems, to avoid giving the group financial advantages, "it is important to draw a clear line between the company profitability concept and national economic considerations," Statsföretag

has a limited capacity to bear economically risky commitments." *

The Saleninvest, the Swedish shipping group, predicts a major improvement during 1979 following last year's pre-tax loss of SKr 343m (\$78m). But the annual report does not repeat the March forecast that earnings might approach zero.

The group still believes its refrigerated cargo vessels, which showed operating earnings of SKr 1.2bn on sales of SKr 1.3bn, will yield a good profit.

The Saleninvest report pre-

All of these securities have been sold. This announcement appears as a matter of record only.

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 WOOD GUNDY YAMAUCHI INTERNATIONAL (EUROPE)

May 7, 1979

Cooper Industries, Inc.

has acquired through merger

Gardner-Denver Company

The undersigned acted as financial advisor to Cooper Industries, Inc.

Incorporated

NEW YORK

VOLVO**Shareholders of Aktiebolaget Volvo**

The Ordinary General Meeting of Aktiebolaget Volvo will be held in Alstroemer Hall, Svenska Maessan, Entre Vaest, Skaanegeatan, Gothenburg at 4.30 p.m. on Thursday, 31st May, 1979. Shareholders who wish to attend the meeting should notify the Company by not later than 12.00 noon on Monday, 28th May, 1979 either in writing or by telephone.

The Ordinary General Meeting shall be convened to consider matters to be dealt with in accordance with the Swedish Companies Act and the Company's Articles of Association including the reception of the Directors Report and audited statement of accounts, the declaration of a dividend in respect of the year ended 31st December, 1978, approval of the Board's proposal for a new issue of shares and the election of members and deputy members of the Board and the Auditors. It is proposed that, subject to approval by the Ordinary General Meeting, the dividend will be paid on 12th June, 1979 to shareholders registered on 5th June, 1979.

In order to take part in the Ordinary General Meeting, shareholders must be registered in their own name at the Swedish Securities Register Centre (VPC) not later than 21st May, 1979. Shares registered in the names of nominees should be temporarily re-registered in the names of the shareholders themselves to enable them to participate.

By Order of the Board
Claes Beyer, Secretary, A.B. Volvo
S-405 08 Gothenburg, Sweden
Tel: 031 59 56 00 (Legal Dept.)

May, 1979

Moët-Hennessy

At its meeting on 20th April 1979, the Board of Directors of MOËT-HENNESSY adopted the accounts for the year ended 31st December 1978, which showed a net profit of FF 39,333,636 including an exceptional gain of FF 4,805,268.

The distribution proposals to be put before the Annual General Meeting called for 28th June 1979, will provide for a dividend of FF 5.50 per share which, coupled with the tax already paid to the Treasury, will produce a total income of FF 8.25.

It should be recalled that a payment on account of FF 5.00 was made on 31st January 1979, bringing the total dividend for the year to FF 10.50 net and, allowing for the tax already paid, the income as a whole to FF 15.75, an increase of 25% over the previous year.

The company's accounts for the business year 1978 have been revalued in accordance with the regulations in force, a process which entails the creation of a 'revaluation reserve' of FF 434,133,198 in respect of assets of a non-depreciable nature.

**Consolidated Results of the Moët-Hennessy Group
(In Thousand Francs)**

	1978	1977
Turnover before tax	1,917,000	1,527,455
Gross trading profit	209,000	152,609
Net book profit	89,000	66,042
Net adjusted profit	104,000	65,665
Cash flow	157,000	106,772
Net adjusted profit per share	33.00	20.80

The Group's consolidated turnover thus shows a rise of 25.5%. The trading profit for its part is up by 37.1%, and the net adjusted profit has increased by 59.3%. It should be pointed out in this connection that all the French companies forming part of the MOËT-HENNESSY group on 31st December 1978 have been revalued and that the trading profit shown below accordingly takes into account additional depreciation totalling FF 8,744,000 though this does not affect the net profit.

Champagne Business
The consolidated turnover for the year 1978 was 21.9% up on 1977 and reached FF 874,500,000. The trading account showed a profit of FF 121,080,000 as against FF 67,300,000 the previous year. The net adjusted profit for its part, calculated using the customary methods, amounts to FF 59,220,000 as against FF 27,580,000 in 1977. This increase in results, due to the growth of sales and the improvement of trading conditions, also takes into account the favourable stock position since 1975.

This year's figures shown below still include the losses of the Californian subsidiary which were largely due to the rise in interest rates in the United States.

Cognac Business
The consolidated turnover of the Cognac sector amounted to FF 480,840,000 as against FF 396,340,000 in 1977, an appreciable increase. Nevertheless trading difficulties in 1978, particularly the problems caused by the fall of the Dollar, made it impossible to match the results of 1977 and, based on a trading profit of FF 17,030,000 as against FF 25,050,000 in 1977, the net adjusted profit accordingly amounts to FF 11,360,000 as against FF 16,890,000 in the previous year.

Perfume and Beauty Products Business
This sector includes for the first time the ROC companies in which the MOËT-HENNESSY group acquired majority holding in 1978. The turnover of all the companies in this sector reached FF 581,750,000 in 1978, a rise of 35.7% over the previous business year, and produced a consolidated trading profit of FF 76,180,000 that reflected an increase of 13.3%. The net adjusted profit for its part was up 21.8% to a total of FF 34,960,000.

**Advance by
S. African
Breweries**

SOUTH AFRICAN Breweries, the major South African diversified brewery concern, lifted pre-tax profits from R89.7m to R110m (US\$130m) in the year ended March 31, 1979, on turnover of R1.6bn compared with R1.4bn, Reuter reports from Johannesburg.

Earnings per share rose from 23.6 cents to 26.8 cents and the final dividend is raised from 8 cents to 9 cents for a 12 cents total, against 11 cents.

Meanwhile the main non-liquor offshoot, OK Bazaars, which is South Africa's largest retailer, is apparently emerging into a steady growth phase after three years of stagnating profits, writes Jim Jones from Johannesburg. On a 9.5 per cent sales increase to R592.4m (\$701m) to March 31, from R540.7m in 1977-78, pre-tax profit rose by 10.1 per cent to R25.1m (\$29.7m), from R22.8m.

Solid real growth is anticipated by the company, it is understood. The past year's results were hampered by continuingly disappointing trading at the group's Hyperama (hypermarket) outlets, with major non-recurring costs having to be absorbed. But restructuring of this activity has been completed, two new Hyperamas are to be opened later this year, and the division's performance is expected to improve considerably.

At the same time, the development of a more aggressive marketing strategy has meant that OK is more than holding its own in an increasingly competitive retail market. On this basis, and with the management's view that retail sales, especially in higher margin durables and semi-durables, are set to improve, this year offers a prospect of growth in turnover and profits.

On earnings per share of 12.8 cents, against 10.6 cents in 1978, the total dividend has been increased to 66 cents, after three years level pegging at 58 cents. The shares are currently trading at 870 cents in Johannesburg.

**Clicks Stores
plans a
public listing**

By Jim Jones in Johannesburg

CLICKS STORES, the South African discount cash and carry retail chain in which Greatermans Stores has a 50 per cent stake, is planning a public listing in June.

Full details will be given with publication of the statutory prospectus next week. But Clicks has disclosed in Johannesburg this week that of its currently issued 10m shares, 2m are to be offered to the public at a price of 100 cents per share. Shareholders in Greatermans will be offered the right to subscribe to 1.1m shares, a further 0.5m are to be placed with Clicks' suppliers, directors and executives and the remaining 0.4m allotted to the company's executive share purchase scheme.

Following the issue, Greatermans will be left with 3.7m shares and Mr. Harry Goldin, the Clicks chairman, who currently has a 50 per cent holding, with 4.3m.

For Greatermans, the public issue, which will bring in R1.3m (\$1.5m), will provide additional funds needed for the troubled department store's recovery.

Currently, Clicks operates 28 retail stores with a combined turnover of R312m and pre-tax profit of R2.3m in 1978. This year, one store is scheduled for opening, while turnover is expected to rise to R38.7m, and pre-tax profit to R3.1m.

At the after-tax level, Clicks projects earnings per share of 19.5 cents for the year to June, 30, 1980, and says that its policy is to cover dividends 2.3 times.

**Improvement
at Magnum**

By Wong Sulong in Kuala Lumpur

PRE-TAX PROFITS of Magnum Corporation, the Malaysian lottery company, rose by 18 per cent last year to 21.8m ringgit (US\$8.4m) but provisions for losses suffered by an associate company processing synthetic rutile has once again held back earnings.

Magnitude holds 30 per cent of Malaysian Titanium Corporation, which has a synthetic rutile plant in Ipoh which had not been operating because of strong competition from Australia. The company is now under receivership.

Magnitude has set aside 5.6m ringgit in extraordinary items, most of which would go towards covering losses in Malaysian Titanium.

This, together with a higher tax charge, has brought net profits to 4.8m ringgit, compared with 4.2m ringgit in 1977.

The group is paying a final dividend of 10 per cent, making 15 per cent for 1978—the same as the year before.

**BRAZILIAN
INVESTMENTS S.A.**Net Asset Value
as of 30th April, 1979Per Depositary Share:
U.S.\$101.01Per Depositary Share:
(Second Series):
U.S.\$74.68

Listed The London Stock Exchange

I.G. Index Limited 01-351 3466. Three month Copper 950.5-958.0

29 Lamont Road, London SW10 OHS.

1. Tax-free trading on commodity futures.

2. The commodity futures market for the smaller investor.

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COMMODITIES AND AGRICULTURE

Sudden jump in hide prices

BY OUR COMMODITIES STAFF

LEATHER TRADERS were shaken yesterday by a sudden and unexpected upsurge in raw hide prices at the Birmingham auction.

They had been expecting some increases following several weeks of steady decline, but nothing like the jumps of up to 23.2p a kilo recorded yesterday.

A Liverpool trader said everyone was "a bit shocked." This has virtually wiped out the reductions of the past weeks," he said.

Middle-range skins, which sold at 99p a kilo last week cost 117p yesterday.

While the prices were high, however, many hides remained unsold because of resistance among buyers to the new levels.

Up to 90 per cent of the offerings in the 22.251 kilo range were withdrawn from the auction. Only 25 per cent of the 26,304 kilo hides were sold.

Leather dealers were at a loss to explain fully the sudden about-turn in the markets. "Not even the Russians would buy at those prices," one buyer said.

It was suggested, however, that UK tanners have been running low on raw materials and have

been forced to re-enter the market to keep their tanneries working.

At current prices few tanners can afford to hold extensive stocks of unprocessed hides in reserve. Prices have more than doubled in the past 10 months.

The same story has been reported from the U.S., Australia and New Zealand, which are all short of skins because of the cyclical decline in beef production.

Pressure on hide markets has also been increased because of the recent rapid increases in the cost of the oil feedstock on which leather-substitute makers depend.

New buying interest in copper was also encouraged by a rise in New York and the feeling the market had become oversold. Cash wire bars closed £16.75 up at £94.25 a tonne.

Nickel prices also gained ground on the Metal Exchange advancing by 25s to £3,125 a tonne.

Cash lead jumped by 51s to £574 a tonne following reports of further buying by the Soviet Union. Cash zinc gained 72.5p on expectations that other producers would follow Vieille Montagne's increase in the European zinc producer price from \$800 to \$845 a tonne.

Nickel pact may be rejected

By John Edwards,
Commodities Editor

COPPER PRICES rallied strongly yesterday on the London Metal Exchange following news that union stewards at International Nickel's Sudbury complex had overwhelmingly rejected the terms of the tentative settlement to end the eight-month-old strike there.

The stewards claim that terms of the proposed new labour contract are not good enough and they are planning to urge the 11,700 workers on strike to vote against ratifying the settlement.

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Plea to save salmon

A watchdog body has launched an appeal for £500,000 to fight for the survival of British salmon, threatened by illegal netting and over-fishing.

Vice-Admiral Sir Hugh Mackenzie, director of the Atlantic Salmon Research Trust, said in London yesterday that the threat was so great that without international control the salmon population faced decimation.

Sir Hugh said that on the River Wye so far this season only 322 salmon had been caught by rods, compared with 1,022 for the same period last year.

In Ireland drift-net fishing had so reduced the return of salmon, that only half the required number of breeding stock was reaching the rivers.

For now trawlers sit on the 50-mile limit off Ireland and wait for Irish ships to bring them salmon. Although Ireland has finally introduced good fishery laws, policing was an immense problem.

Meanwhile in Canberra it was announced that Australia will ask the International Whaling Commission to consider a world-wide ban on whaling.

The revenue to farmers for



Peter Walker, Britain's new Minister of Agriculture, introduced himself to the Press yesterday with a facility or phrase, which even his predecessor, Mr. John Silkin, might have envied, writes John Cherrington, Agriculture Correspondent. Mr. Walker said he intended to achieve maximum sanity in Europe and find out what the Common Agricultural Policy means to us all. Questioned about the new Government's view on further devaluation of the Green £, Mr. Walker referred to the Conservative manifesto, which pledged this would happen over the next five years.

Boost for sugar growers

UK SUGAR beet drillings could be completed by the end of this week if the present dry weather continues, a British Sugar Corporation spokesman said yesterday.

The effect of the devolution of the 1979-SO crop now being drilled will be to increase the previously agreed price of £21.10 per tonne at 18 per cent sugar content by 78p. This results in a new consolidated price of £21.88 a tonne assuming a net realised value of pulp at £80 a tonne.

This year BSC has accepted contracts for record 217,000 hectares compared with 20,000 hectares for the 1978/79 season.

British Sugar pointed out yesterday that the recent five per cent Green Pound devaluation, together with adjustments to pulp allowance payments, will add nearly £6m to the £150m paid to Britain's sugar beet growers for the 1978/79 crop.

The adjustment puts an extra 45p on the price paid for a tonne of beet at 16 per cent sugar content—previously this was £20.98 per tonne.

Meanwhile it was reported in Washington yesterday that the Soviet Union has bought an additional 1.15m tonnes of U.S. sugar.

The revenue to farmers for

Farmland price fall may be temporary

BY CHRISTOPHER PARKES

THE AVERAGE price of farmland sold in England with vacant possession in the first three months of this year fell by £26 a hectare to £4,041. This is the first fall in real terms since September, 1977, according to the latest figures released by the Ministry of Agriculture.

Leading agents, however, regard the drop as temporary.

Mr. George Ings, agricultural manager of Savills, said yesterday he expected land prices to stabilise this year.

Good quality land, he suggested, would be selling at around £5,400 a hectare, and anything to be had for less than £3,900 a hectare would likely be "rubbish."

Land market pundits have been forecasting a fall in values for some months in the wake of the recent boom which has seen prices doubled in the past 18 months.

But with a Conservative Government now installed, the threat of a wealth tax out of the

way and the prospect of better returns from agriculture in the light of Tory policy on the "green pound," the expected decline may not now occur.

The Ministry figures, prepared by the Agricultural Mortgage Corporation and the Agricultural Development and Advisory Service, illustrate the impact of the long, hard winter on the land market.

In the three months under review, only 3,500 hectares changed hands compared with 6,800 a year ago and 8,400 in the first quarter of 1977.

The peak selling season usually runs between May and October.

Savills is opening the season this year with two large estates in Hertfordshire. It expects bids of more than £2m for the 1,059-acre Crowood Estate at Ramsbury, Wiltshire.

Something less than £2m is expected for the more distant Shotesbury Park estate, covering 1,071 acres to the south of Norwich in Norfolk.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER Rallied strongly following short covering and the absence of any major intervention by the market. Forward metal opened at £1,155 and moved up to £1,164 and moved up to £1,165 to £1,170 on the pre-market before hedge selling put the price to £1,171. The market then saw a sharp rally, pushed forward metal up to £1,179 prior to a close on the late kerb of £1,180. Turnover: 20,625 tonnes.

LEAD Standard cash rose 1.5p to £1,000. Standard Unofficial cash rose 1.5p to £1,000.

ZINC Firm in quiet trading. Charter buying lifted forward metal from £1,155 to £1,200 on the pre-market before hedge selling put the price to £1,171. The market then saw a sharp rally, pushed forward metal up to £1,179 prior to a close on the late kerb of £1,180. Turnover: 22,705 tonnes.

CHROME Standard cash rose 1.5p to £1,000. Standard Unofficial cash rose 1.5p to £1,000.

CATHODES Standard cash rose 1.5p to £1,000. Standard Unofficial cash rose 1.5p to £1,000.

COBALT Standard cash rose 1.5p to £1,000. Standard Unofficial cash rose 1.5p to £1,000.

ALUMINUM Barely changed in idle trade with forward metal up 1.5p to £1,000. Standard cash rose 1.5p to £1,000. Standard Unofficial cash rose 1.5p to £1,000.

STAINLESS STEEL Standard cash rose 1.5p to £1,000. Standard Unofficial cash rose 1.5p to £1,000.

NICKEL Firm with forward metal rising from £1,155 on the early morning cash market before hedge selling put the price to £1,170. The market then saw a sharp rise in copper, and rumours of forward metal rises to the day's high of £1,179. Turnover: 7,225 tonnes.

WIRE Standard cash rose 1.5p to £1,000. Standard Unofficial cash rose 1.5p to £1,000.

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Companies and Markets

LONDON STOCK EXCHANGE

Index reacts 10.2 for two-day loss of 19.7 at 538.9

Banks weak on Standard's £76m call—Gilt down again

Account Dealing Dates
Option
*First Declara. Last Account
Dealing Date. Dealings Day
Apr. 23 May 3 May 4 May 15
May 8 May 17 May 18 May 20
May 21 May 31 June 1 June 12

* New "dealing" date given in parentheses.

Stock markets were quite

subdued yesterday and ended

with widespread falls although

leading shares generally closed

a shade above the day's lowest.

Still overshadowed at the start

by disappointment in the absence

of a marked upturn on Tuesday

— the first full day's trade

following confirmation of the

Conservative's decisive election

victory — markets were pondering

on the calls likely to be

made on investment funds

through the NEB's mooted plans

for more direct involvement in

the economy.

its activities by the private sector when first indications of Standard and Chartered's call for £76m new money came in the first half-hour's business and underlined morning Press comment about a queue of companies with pending rights issues.

On the announcement, the downturn in equities quickened on relatively small selling, made up by bear sales and further profit-taking, which had a disproportionate effect on share prices because of the continued reluctance of institutional buyers.

Leading banks turned particu-

larly weak.

The afternoon announcement of

last month's poor banking

figures further depressed gilt

edges which ended at the day's

lowest with falls to 13.1, but

equities continued in the steadier

vein which had prevailed from

noon. At that time, the FT 30

was 10.2 points lower than

the previous day's close.

Scattered selling and an

absence of support made for

quietly dull conditions in the

Building sector. Blue Circle

relinquished 8 to 336p and

Tarmac 7 to 196p. Down 10 on

Tuesday following the annual

results, Costain eased 6 to 210p

and the Deferred 4 to 180p.

ICL first quarter figures due

May 24, shed 5 to 400p, as did

Fisons to 280p.

Stores lower

Leading Stores turned easier

on profit-taking. Burton A

gave up 6 to 320p as did British Home,

to 272p. Further consideration

of the results prompted a reaction

of 3 to 125p in Marks and Spencer

while Mothercare lost 4 to 172p

after comment on the company's

disappointing figures. Following

news of some sizeable share dis-

posals made by three directors,

Raytech ended 6 off at 131p.

High-fliers in the Electrical

sector were vulnerable to

sporadic offerings with Racal

weakening 16 to 475p and Euro-

therm 10 to 360p. Among the

leaders, GEC touched 432p before

settling at 437p for a loss of 6

on balance.

Standard dull

The surprise announcement of

a proposed £76m fund-raising

call from Standard Chartered at

the start of business unsettled

sentiment in the banking sector

and sharp falls ensued. Standard

touched 500p before closing 28

down on balance at 507p. Mid-

land, which holds a 16 per cent

shareholding in Standard,

reacted 15 to 425p, while Nat-

West, rumoured to be the next

in line with a large cash call,

fell 17 to 375p. Barclays ended

a similar amount down at 485p,

after 482p, but Lloyds cheapened

only 5 to 345p, after 342p.

share index was showing a fall

of 12.1

and the closing loss of

10.2, at 538.9, made a reaction

of 19.7 from last Friday's peak

since compilation of 558.6.

Yesterday's falls in the index con-

sistutes were mostly limited to

6, but BP closed 30 down at

1136p while sentiment led to

some falls in the Government's

financial problems.

Further tranches of the State's holding in

the company may be offered to

the public.

Falls outnumbered rises by

five-to-one, but lessened activity

was denoted by official markings

of 5,441 as against Tuesday's

7,043.

Insurance contributed to the

general declines. In front of

today's first-quarter figures,

Royal Mail gave up 6 to 421p.

Persistent small selling left

Breweries and distillers with

a distinct dull appearance. Both

BPW and Whitbread 42p

and 5 respectively.

Alcohol slipped 3 to 86p. Fuller, Smith

and Turner, however, found sup-

port and put on 20 to 360p.

Distillers were upset by pre-bud-

get nerves. Arthur Bell, 189p,

Hawthorn, 96p and Distillers, 241p

all losing 8, but interest was

shown in Amalgated Distilled

Products which put on 5 to 43p

on bid hopes.

Disappointment with the annual

results prompted a swift reaction

in J. Sainsbury which fell to 383p

before a few cheap buyers lifted

the price to 345p for a net fall of

23. In sympathy, Tesco reacted

24 to 78p. By contrast, Cullens

awaiting today's results

announced, added 4 for a two-day

fall to 10 to 149p. Tate and

Lyle shed 4 to 149p and British

Sugar 5 to 179p, while profit-

making left speculative counter

J. Bibby 20 down at 405p.

Merchant Banks reacted from

recent Press-inspired strength on

profit-taking. Hill Samuel

softened 4 to 118p and the War-

rentals fell 50 to 125p.

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general declines. In front of

today's first-quarter figures,

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FINANCIAL TIMES

Thursday May 10 1979

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FLOD TRANSFER CONTROL AND
EDUCATION • LIBRARY SERVICES
EQUIPMENT • CONSTRUCTION ENGINEERING

Saudis likely to end Egypt aircraft deal

BY RICHARD JOHNS, MIDDLE EAST EDITOR

SAUDI ARABIA is expected to cancel a \$525m (about £262m) order made on behalf of Egypt for 50 Northrop F-5 aircraft because it objects to Egypt's bilateral peace treaty with Israel.

The Kingdom is understood to have decided not to go ahead with the deal in line with boycott resolutions against Egypt adopted by nearly all Arab states.

No formal notification has yet been received by the U.S. Government, though State Department officials concede that the chances of Saudi Arabia financing the sale look slim.

At the same time President Sadat's Government faces the threat of withdrawal by Kuwait and Saudi Arabia of about \$1.6bn deposited with the Central Bank.

Kuwait is believed to be pressuring for the repatriation of \$200m, which became due for repayment on May 1. It has about \$160m placed in Cairo—a sum deposited originally to support Egypt's balance of payments—and accounts for the greater part of the country's debt-servicing obligations over the coming year.

Saudi funds held by the Egyptian Central Bank are said to total more than \$500m.

According to a report in the Saudi newspaper, Al Riyad, the Kingdom's financial support for Egypt since 1973 has totalled

\$7bn, excluding private investment.

In a contract completed late last year after prolonged haggling over the total cost, the F-5s were to have been supplied under a government-to-government arrangement. Northrop said yesterday that construction work on the aircraft was proceeding, but the California-based company had received no payments yet from the Pentagon.

Cancellation of the order, part of a bigger deal with President Carter's Administration involving the sale of far more advanced aircraft to the Kingdom and Israel, would further damage U.S. relations with Saudi Arabia, which have become strained by the Kingdom's refusal to back the Egyptian-Israeli peace treaty.

Irritated by American reports of dissension within the Saudi Royal Family, Saudi Arabia recently succeeded in obtaining the recall by Washington of Mr. George Cave, who for the past two years has been the U.S. Central Intelligence Agency's chief of station in Jeddah.

Yesterday the State Department refused to comment on reports of Mr. Cave's recall. In general terms, however, a senior official described the U.S.-Saudi relationship as "seldom stronger" in terms of economic and security interests, but, because of the Egyptian-Israeli pact, "never more troubled."

Both Mr. Callaghan and Mrs. Thatcher, the Prime Minister, made their first Union speeches yesterday in welcome succession.

Callaghan keeps leadership

BY RICHARD EVANS, LABOUR EDITOR

MR. CALLAGHAN made it clear he intended to remain Labour Party leader for the foreseeable future after he was re-elected unanimously by the Parliamentary Labour Party yesterday.

The former Prime Minister told the depleted ranks of Labour MPs that he had no intention of retiring. "I have read a lot about choosing a successor. There is no vacancy. I think it is helpful for the party if it is known there is no vacancy," he declared.

Mr. Callaghan's remarks, aimed at preventing internal party squabbling over the succession, are being taken at face value by Labour MPs who believe it would be shortsighted and divisive for Mr. Callaghan to step down before the party conference in the autumn. The Left wing is certain to launch its campaign at the conference to capture the party before the next election.

But there remains a widespread belief that Mr. Callaghan will step down well before the next election once the conference inquest is over and he can ensure an orderly succession.

Mr. Denis Healey, former Chancellor, remains favourite to succeed as leader, but there is a growing belief that his age could be against him as Labour MPs will be looking for someone to lead the party over the next decade.

Mr. Callaghan's re-election was moved by Mr. Michael Foot, who is expected to retain the deputy leadership in elections over the next week when the chairman of the PLP and the Chief Whip will also be chosen.

There will then be an election for 12 members of the Shadow Cabinet between May 24 and June 14. Because of the loss of a number of Left-wing MPs in the General Election these are expected to be mostly moderate.

There was pressure from some backbenchers yesterday for all the Shadow Cabinet, and not just 12 members, to be elected, and it was agreed that this should be considered later by the Parliamentary Committee.

Both Mr. Callaghan and Mrs. Thatcher, the Prime Minister, made their first Union speeches yesterday in welcome succession.

ing the re-election of Mr. George Thomas as Speaker.

Mrs. Thatcher, after being cheered in by Tory MPs, said it was one of the happiest features that, after the passions aroused by the hustings, their first parliamentary duty was one on which everyone was agreed.

But such agreement will end with the presentation of the Queen's Speech opening the new parliamentary session next Tuesday, and details of its contents will be fixed at a Cabinet meeting today.

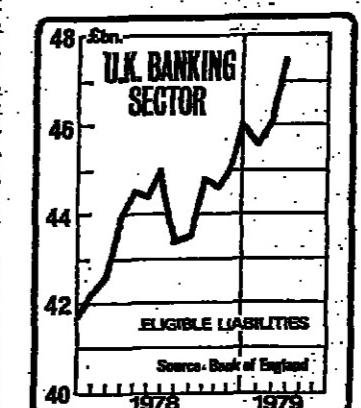
Among the priorities will be the date of the Budget, expected to be June 12, and the sequence of Bills to be presented in the first session. Although the intention is to move slowly on trade union reform, there could be a Bill on secret ballots and reform of the Employment Protection Act.

Another priority is expected to be maintenance of the 400 remaining grammar schools. The Tories have promised to amend parts of the 1976 Education Act which compel local authorities to reorganise along comprehensive lines.

THE LEX COLUMN

A £76m ticket to California

Index fell 10.2 to 538.9



trading has started the New Year in buoyant fashion, and Sainsbury is confident enough to have some ambitious development plans with selling prices planned to rise 30 per cent over the next three-year period.

Such plans, however, can only exacerbate the emerging longer-term overcapacity problem of the food retailing sector, promising further gross margin wars ahead. It is true that Sainsbury has shown that it can run fast enough to keep its margin almost maintained (it has eased only from 3.35 to 3.16 per cent) and there is unlikely to be any major competitive crunch in 1979-80. But the shares should not be chased.

Sears

Having boosted its pre-tax profits by 54 per cent in 1977-78, Sears Holdings has pushed them another 39 per cent higher, to \$91m, in 1978-79. After several years on a plateau, Sears' profits are now moving ahead strongly, and there should be another useful increase in the current year, taking them well above fifteen.

Whereas loss elimination in North America played a big part in the profit movement in 1977-78, last year it was the footwear, retailing operation which was the star performer—trading profits rose by well over a third to \$56.8m. After a number of years of fairly static demand, footwear sales volume rose by a remarkable 10 per cent last year and this sort of growth is continuing in the current year. By contrast, the department stores (Selfridges) turned in lower profits—the decline in tourists was the problem here.

For the rest of the business the improvement came from a combination of loss elimination in engineering and America, plus a near two-thirds jump in the profits from the betting offices. "The wrong horses ran faster" is the official explanation. At \$61m the shares yield 3.7 per cent and this could rise to over 5 per cent if dividends restraint is abolished.

Sainsbury

Although Sainsbury's share price booted over yesterday, dropping 25p to \$45p, the company's 18 per cent rise in pre-tax profits to \$32.7m represents an excellent performance bearing in mind that it fell foul of the "haulage dispute and atrocious weather in the final January/March quarter. These troubles could have knocked around \$0.75m of annual profits. The volume gain dropped from the extraordinary 20 per cent of the first nine months to only about 3 per cent in the last quarter. But part of this slow down reflected the fact that sales were matched against a period of the previous year when the Discount 78 campaign had already started.

While this strategy cannot be faulted, it has proved expensive. In the last five years, since Lord Barber took the reins, the bank has raised over £100m of debt and another £100m of equity while its return on average assets has declined by over a fifth. This reflects the switch in emphasis to less risky but less profitable areas of the world. Yielding a prospective 7½ per cent the share price does not seem to have fully reflected the changes that are taking place.

Banking figures

If the most recently published statistics are a guide, the new Chancellor's pursuit of "the bold" must be proving uncomfortable. First came a jump in wholesale prices, then yesterday a 3.1 per cent rise in the banks' eligible liabilities during the April banking month. Despite a favourable seasonal adjustment, this looks likely to translate into an increase in sterling M3 that will take October/April money supply growth above the upper end of the target range.

Demand for bank lending is still very strong, even though the exceptional credit demand associated with the haulier's strike should have started to unwind. It may be that economic

Lourho/SUITS

Discreet soundings by Lourho's brokers established the price 20p higher than before—at which a number of large SUITS shareholders would accept the bid, and acceptances have now passed the 50 per cent point. Having stalked SUITS relentlessly for more than a year Lourho was not to be put off by an extra cost of £4m or so. Next stop House of Fraser?

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French credit line for China

BY ROBERT MAUTHNER IN PARIS

FRANCE yesterday granted China a FFr 30bn (about £3.9bn) credit line for the purchase of French capital equipment, the largest buyer's credit ever accorded by France to another country.

The agreement was signed in Paris by a Chinese representative and 18 French banks, including the Banque Francaise du Commerce Exterieur and the "big three" nationalised banks, Banque Nationale de Paris, Credit Lyonnais and Societe Generale.

The credit line guaranteed by Coface, the official credit guarantee organisation, will allow the financing of Chinese imports from France over the seven-year economic co-operation agreement concluded by the two countries last December. That agreement foresaw the stepping up of bilateral trade to FFrs 60bn by 1985, about eight times the present volume between the two countries.

The rate of interest which China has undertaken to pay for French credits is in line with that laid down in the OECD consensus, 7.25 per cent or 7.5 per cent, depending on the duration of the loan for any particular project.

The OECD consensus specifies that credits for less than seven years should carry an interest rate of 7.25 per cent, while the 7.5 per cent rate applies to credits for more than seven years.

Though China falls under the heading of the poorest nation in the OECD classification, and therefore benefits from the most favourable interest rate, the Chinese were understood to have been pressuring for a much lower rate. Reports from Peking on the occasion of the signing of the economic co-operation agreement suggested that the Chinese wanted to pay no more than 5.75 per cent.

Only the global amount of credits to be granted by France

Euromarkets, Page 34

The rate of interest which China is specified in yesterday's agreement. Separate agreements will have to be worked out for individual projects, for which the terms are likely to differ.

Apart from a FFrs 10bn contract for two nuclear power plants, no big orders have so far been placed by China with French industry. But the economic co-operation agreement stipulates that China would give France preference for 11 specific projects, on condition that French prices and technical know-how were internationally competitive.

One of the most important projects on the list is the extension of a large steel complex with an annual capacity of 10m tonnes, a hydro-electric power-station construction plan, and an ambitious project for the building of an integrated aluminium plant, requiring investments totalling about FFrs 20bn.

BY ALAN PIKE

MR. JAMES PRIOR, Employment Secretary, last night assured Mr. Len Murray, TUC General Secretary, that the unions would be fully consulted before any changes were made to industrial relations legislation.

The Government's full programme of consultation with industry on employment law changes is expected to begin quickly. But Mr. Prior was not able last night to give Mr. Murray specific details of the measures the Government had in mind.

Continued from Page 1

Teachers and police

a year including 2319 London weighting.

The prospects for success of Mr. Carlisle's appeal to the two main teachers' unions are complicated by the fact that the unions are acting in opposition to one another.

BL and the NEE said yesterday they did not want to comment on the legal action. The matter was in the hands of solicitors.

BL and the NEE have 20 days under U.S. law to answer the writ and 45 days to provide information and documents required by Royston in the case.

In a statement yesterday through its lawyers, Royston

and sanction an acceptable offer for the teachers. The executive of the union will meet this weekend to consider Mr. Carlisle's letter.

In contrast to the NUT, the 112,000-member National Association of Schoolmasters and

of Women Teachers wants the dispute sent to normal arbitration. Since Tuesday it has been backing this demand with a strict five-hour day.

Mr. Carlisle told both unions that relations with the Government and the public image of the education service would be improved if the NUT and the NAS-UWT would suspend their actions until the Burnham Committee can meet again in a few days.

Although the Education Department needed a little more time to examine the important issues involved, Mr. Carlisle said he was making the resolution of the dispute his "first priority". He intended that his representatives in Burnham should be able to "play a positive role."

The best thing Mr. Carlisle could do now, said the NUT, was to arrange a speedy meeting of the Burnham Committee.

Standard Chartered

Standard Chartered official said yesterday that the Lazard connection had "come to an end."

Standard Chartered raised part of the U.S. currency necessary to pay for the Union Bancorp deal through the issue of \$150m of floating rate loans.

A further \$140m was provided from a currency swap transaction by which part of the bank's sterling resources were used to acquire dollars for exchange in 12 years' time. The rest came from internal resources.

Weather

UK TODAY

MOST places will be dry with sunny periods, but some showers are likely in parts of Scotland and near the eastern coast of England.

London, S.E., Cent. S., S.W., N.W. and Cent. N. England, Midlands, Channel Isles, Wales

Early frost in places. Dry, with sunny periods. Max. 13C (55F).

E. and N.E. England

Scattered showers and sunny periods. Max. 11C (52F).

N.E. Scotland, Orkney, Shetland

Scattered, wintry showers, sunny periods. Max. 8C (46F).

Lake District, Isle of Man,

S. Cent. and N.W. Scotland,

Cent. Highlands, Ulster

Early frost in places. Dry, sunny periods. Max. 11C (52F).

• Outlook: Mostly dry with sunny spells.

WORLDWIDE

	Y'day max. °C °F	Today max. °C °F

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